

HAWAII STATE

HOUSE OF REPRESENTATIVES

REGULAR SESSION OF 2012

***ROUGH DRAFT
JOURNAL***

**SIXTIETH DAY
MAY 03, 2012**

OFFICE OF THE CHIEF CLERK

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SIXTIETH DAY

Thursday, May 03, 2012

The House of Representatives of the Twenty-Sixth Legislature of the State of Hawaii, Regular Session of 2012, convened at 9:11 o'clock a.m., with Speaker Say presiding.

The invocation was delivered by Majority Leader Pono Chong, after which the Roll was called showing all Members present with the exception of Representative Marumoto, who was excused.

By unanimous consent, reading and approval of the Journal of the House of Representatives of the Fifty-Ninth Day was deferred.

GOVERNOR'S MESSAGES

The following messages from the Governor (Gov. Msg. Nos. 1199 and 1200) were received and announced by the Clerk:

Gov. Msg. No. 1199, transmitting his statement of objections to S.B. No. 2101, SD 1, HD 2, as follows:

"EXECUTIVE CHAMBERS
HONOLULU
May 1, 2012

STATEMENT OF OBJECTIONS TO SENATE BILL NO. 2101

Honorable Members
Twenty-Sixth Legislature
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, Senate Bill No. 2101, entitled "A Bill for an Act Relating to the TRICARE Program."

The purpose of this bill is to extend the repeal of the general excise tax exemption for amounts received from the TRICARE Program from December 31, 2013, to December 31, 2015.

Act 105, Session Laws of Hawaii 2011, temporarily suspended numerous exemptions from the general excise tax that were not related to the TRICARE Program. The temporary suspension of the exemptions in Act 105 expires on June 30, 2013. During the regular session of 2013, all of the general excise tax exemptions, including the exemption for the TRICARE Program, should undergo a fair and comprehensive review at the same time. Because the exemption for the TRICARE Program will not expire until December 31, 2013, there is no need to extend the expiration date of this single exemption now.

For the foregoing reasons, I am returning Senate Bill No. 2101 without my approval.

Respectfully,
/s/ Neil Abercrombie
NEIL ABERCROMBIE
Governor of Hawaii"

Gov. Msg. No. 1200, informing the House that on May 02, 2012, the following bill was signed into law:

S.B. No. 3025, SD 2, HD 2, entitled: "A BILL FOR AN ACT RELATING TO AFFORDABLE HOUSING CREDITS." (ACT 098)

SENATE COMMUNICATIONS

The following communications from the Senate (Sen. Com. Nos. 831 through 834) were received and announced by the Clerk:

Sen. Com. No. 831, dated May 1, 2012, informing the House that the following bills have this day passed Final Reading in the Senate:

H.B. No. 280, HD 1, SD 2, CD 1
H.B. No. 609, HD 2, SD 2, CD 1
H.B. No. 679, HD 1, SD 1, CD 1
H.B. No. 1054, HD 1, SD 1, CD 1
H.B. No. 1295, HD 3, SD 2, CD 1
H.B. No. 1398, HD 1, SD 1, CD 1
H.B. No. 1543, SD 1, CD 1
H.B. No. 1617, HD 2, SD 2, CD 1
H.B. No. 1666, HD 1, SD 1, CD 1
H.B. No. 1705, HD 1, SD 1, CD 1
H.B. No. 1788, HD 1, SD 1, CD 1
H.B. No. 1791, SD 1, CD 1
H.B. No. 1875, HD 2, SD 2, CD 1
H.B. No. 1879, HD 2, SD 1, CD 1
H.B. No. 1892, SD 1, CD 1
H.B. No. 1925, HD 1, SD 1, CD 1
H.B. No. 1972, HD 2, SD 1, CD 1
H.B. No. 1974, HD 2, SD 1, CD 1
H.B. No. 1984, SD 1, CD 1
H.B. No. 2004, HD 2, SD 2, CD 1
H.B. No. 2078, HD 2, SD 2, CD 1
H.B. No. 2099, HD 1, SD 1, CD 1
H.B. No. 2175, HD 2, SD 1, CD 1
H.B. No. 2232, HD 2, SD 1, CD 1
H.B. No. 2244, HD 1, SD 2, CD 1
H.B. No. 2265, HD 2, SD 2, CD 1
H.B. No. 2290, HD 1, SD 2, CD 1
H.B. No. 2320, HD 2, SD 2, CD 1
H.B. No. 2326, HD 1, SD 1, CD 1
H.B. No. 2328, HD 1, SD 1, CD 1
H.B. No. 2347, SD 1, CD 1
H.B. No. 2487, HD 1, SD 2, CD 1
H.B. No. 2502, HD 2, SD 2, CD 1
H.B. No. 2513, HD 1, SD 2, CD 1
H.B. No. 2568, HD 2, SD 1, CD 1
H.B. No. 2569, HD 2, SD 1, CD 1
H.B. No. 2589, HD 2, SD 2, CD 1
H.B. No. 2593, HD 2, SD 1, CD 1
H.B. No. 2594, HD 2, SD 1, CD 1
H.B. No. 2595, HD 2, SD 2, CD 1
H.B. No. 2623, HD 1, SD 1, CD 1
H.B. No. 2644, HD 2, SD 1, CD 1
H.B. No. 2686, HD 1, SD 1, CD 1
H.B. No. 2740, HD 1, SD 1, CD 1
H.B. No. 2776, HD 2, SD 2, CD 1
H.B. No. 2848, HD 3, SD 2, CD 1
H.B. No. 2871, HD 1, SD 1, CD 1
S.B. No. 243, SD 2, HD 1, CD 1
S.B. No. 596, SD 2, HD 1, CD 1
S.B. No. 1276, SD 2, HD 2, CD 1
S.B. No. 1382, SD 2, HD 1, CD 1
S.B. No. 1500, HD 1, CD 1
S.B. No. 2001, SD 1, HD 2, CD 1
S.B. No. 2056, HD 2, CD 1
S.B. No. 2103, SD 2, HD 2, CD 1
S.B. No. 2158, HD 1, CD 1
S.B. No. 2221, SD 1, HD 1, CD 1
S.B. No. 2222, SD 2, HD 1, CD 1
S.B. No. 2238, SD 1, HD 2, CD 1
S.B. No. 2277, SD 2, HD 2, CD 1
S.B. No. 2318, SD 1, HD 2, CD 1
S.B. No. 2335, HD 2, CD 1
S.B. No. 2341, SD 2, HD 2, CD 1
S.B. No. 2375, SD 3, HD 2, CD 1
S.B. No. 2402, SD 1, HD 1, CD 1
S.B. No. 2486, SD 1, HD 1, CD 1
S.B. No. 2508, SD 2, HD 1, CD 1
S.B. No. 2540, SD 2, HD 2, CD 1

S. B. No. 2632, SD 1, HD 1, CD 1
 S. B. No. 2640, SD 1, HD 1, CD 1
 S. B. No. 2646, SD 1, HD 2, CD 1
 S. B. No. 2655, SD 2, HD 3, CD 1
 S. B. No. 2737, SD 1, HD 2, CD 1
 S. B. No. 2742, SD 1, HD 2, CD 1
 S. B. No. 2745, SD 1, HD 2, CD 1
 S. B. No. 2746, SD 1, HD 3, CD 1
 S. B. No. 2763, SD 2, HD 2, CD 1
 S. B. No. 2765, SD 2, HD 2, CD 1
 S. B. No. 2766, SD 2, HD 2, CD 1
 S. B. No. 2767, SD 2, HD 1, CD 1
 S. B. No. 2769, SD 2, HD 3, CD 1
 S. B. No. 2773, SD 1, HD 1, CD 1
 S. B. No. 2787, SD 2, HD 1, CD 1
 S. B. No. 2797, SD 1, HD 1, CD 1
 S. B. No. 2800, SD 1, HD 1, CD 1
 S. B. No. 2810, SD 1, HD 1, CD 1
 S. B. No. 2813, SD 1, HD 1, CD 1
 S. B. No. 2816, SD 1, HD 1, CD 1
 S. B. No. 2821, HD 3, CD 1
 S. B. No. 2825, SD 1, HD 1, CD 1
 S. B. No. 2833, SD 1, HD 2, CD 1
 S. B. No. 2858, SD 1, HD 2, CD 1
 S. B. No. 2871, SD 1, HD 2, CD 1
 S. B. No. 3001, SD 2, HD 2, CD 1
 S. B. No. 3002, SD 2, HD 1, CD 1
 S. B. No. 3006, SD 2, HD 2, CD 1
 S. B. No. 3008, HD 3, CD 1
 S. B. No. 3062, SD 1, HD 2, CD 1

Sen. Com. No. 832, dated May 1, 2012, informing the House that the Senate has on April 27, 2012, reconsidered its action taken on April 12, 2012, in disagreeing to the amendments proposed by the House to the following Senate Bills and has moved to agree to the amendments, and that said bills have this day passed Final Reading:

S.B. No. 2859, SD 1, HD 2, entitled: "A BILL FOR AN ACT RELATING TO OPEN GOVERNMENT."

S.B. No. 2876, SD 2, HD 3, entitled: "A BILL FOR AN ACT RELATING TO THE COMMERCIAL HARBORS."

Sen. Com. No. 833, dated May 1, 2012, informing the House that the Senate has on April 25, 2012, reconsidered its action taken on April 13, 2012, in passing the following Senate Bill on Final Reading, and that said bill has this day passed Final Reading:

S.B. No. 650, HD 1, entitled: "A BILL FOR AN ACT PROPOSING AN AMENDMENT TO ARTICLE VI, SECTION 3, OF THE CONSTITUTION OF THE STATE OF HAWAII AUTHORIZING THE CHIEF JUSTICE OF THE STATE SUPREME COURT TO APPOINT RETIRED JUDGES TO SERVE AS EMERITUS JUDGES."

Sen. Com. No. 834, dated May 1, 2012, informing the House that the Senate has made the following change to Senate Conferee assignments for the following bill:

S.B. No. 2785, Senate Conferees discharged.
 SD 2, HD 2

INTRODUCTIONS

The following introductions were made to the Members of the House:

Representative Pine introduced her family: grandmother, Ms. Alionora Marcos; mother, Ms. Maria Pine; brother, Mr. Kawika Pine; and husband, LT Brian Ryglowski.

Representative Pine also introduced her former and current staff:

Former Office Managers: Mr. John Gollner; and Ms. Sarah Correa and her husband, Mr. Brian Correa and son, Reagan.

Former and Current Staff Members: Mr. Jame Schaedel, Ms. Eliza Talbot, Ms. Kauai Alapa, Ms. Kaylee Skaar, Ms. Linda Dela Cruz, Ms. Kim Guynes, Mr. Mariano Doctolero, and Ms. Lilia Lambinico.

Representative M. Lee introduced her legislative staff: Ms. Heather Calderwood; Ms. Tate Carpenter; Ms. Kelly Suzuka; and Ms. Lee Ying Kwok. They were accompanied by her Office Manager, Mr. Keanu Young.

Representative Tokioka introduced friends visiting from Kauai, Mr. Elester and Mrs. Mila Calipio. They were accompanied by Kauai Senator Ron Kouchi.

Representative Ward introduced the State Chief Information Officer, Mr. Sanjeev "Sonny" Bhagowalia.

ORDER OF THE DAY

SUSPENSION OF RULES

On motion by Representative Evans, seconded by Representative Pine and carried, the rules were suspended for the purpose of considering certain House and Senate Bills for Third and Final Reading by consent calendar.

At 9:20 o'clock a.m., Representative Oshiro requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 9:22 o'clock a.m.

LATE INTRODUCTIONS

The following late introductions were made to the Members of the House:

Representative Ching introduced her Office Manager, Ms. Jessica Bursack and her mother and mother's husband visiting from California, Mrs. Laura Bursack and Mr. Lamar Chandler.

Representative Rhoads introduced Attorney General David Louie and Special Assistant, Mr. Joshua Wisch.

Representative Cabanilla introduced an active member of the Filipino community, Department of Transportation Deputy Director, Mr. Jade Butay.

UNFINISHED BUSINESS

Conf. Com. Rep. No. 131-12 and H.B. No. 2012, HD 1, SD 1, CD 1:

Representative Oshiro moved that the report of the Committee be adopted, and that H.B. No. 2012, HD 1, SD 1, CD 1, pass Final Reading, seconded by Representative M. Lee.

Representative Oshiro rose to speak in support of the measure, stating:

"I rise in support of H.B. 2012, CD 1. Before I proceed in speaking to the merits of the budget before us, please allow me the tradition and customary opportunity to thank those who have spent countless hours preparing what lies before us. First off, I need to extend a shout out of appreciation to Chair David Ige, the members and the staff of the Senate Committee on Ways and Means.

"We started this endeavor about 2 weeks ago to work out a compromise, and we worked very hard together. They were long and tough negotiations, but we finally resolved and came out with this Conference Draft. So I want to thank him for his graciousness and willingness to entertain and consider

my thoughts and ideas on the budget. I appreciate it tremendously, David. Thank you, very much.

"I'd also like to thank Vice Chair Marilyn Lee, because again, we wouldn't be here talking about a Conference Draft and the House position if she was not by my side. And of course, Representative Kyle Yamashita who took the lead on behalf of the House to negotiate the CIP portion of the budget. Good job, Kyle. I know it was tough going, and you had a real formidable counterpart in the Senate, Senator Kidani. But again, thank you for advancing the House position throughout. Of course, Mr. Speaker I must thank the Committee members for their hard work and dedication to developing the policies you see within this budget.

"To our veteran members, your knowledge of the practice and past actions have helped us, and driven us to decisions on these key issues. The Freshmen members, your refreshing inquisitiveness and insight brought new light to our discussions. And to my Minority members, Representatives Ward, Marumoto and Riviere, thank you very much for your often contrary views. I think it prompted some interesting and lively discussions. Equally important, it helped the Foodbank, tremendously.

"Likewise, thanks to the Committee Chairs for your time and attendance as the Second Chair of our Committee on Finance. I think taking advantage of it, gave us additional insight to the policies of the Subject Matter Chairs and I think the participation of them both enlightened and even at times entertained us, Mr. Speaker. And again, they contributed generously to the Hawaii Foodbank, also.

"Finally, I must thank my Finance staff. They are truly the unsung heroes, the ones that work day in, day out, behind those walls without any windows, often cloistered away in those dark crevices and corners that mere mortals fear to tread. They worked together very well. None of us lost anyone. And the crew remained comfortable and comforting to each other.

"Our permanent and session staff include, Mr. Speaker, Jo Hamasaki. He's the one that actually put together the budget itself, the document you see before you, and the Committee Reports. He knit and stitched the entire budget together. Thank you, Jo. Karen Horita was also with us in the front office. Puna Chai, Susan Fernandez, Erik Abe, Randall Hiyoto, Stacey Tagala, Nandana Kalupahana – that's not Hawaiian. That's Sri Lankan. Lucia Phan, Maria Millon, Midori Hirai, Bill Gillispie, Maryanne Takahashi, Megan Shimizu, Erin Ebisuya, Daniel Kikawa. You know, Daniel was an intern for the University of Hawaii, and one of the fortunate, lucky ones to end up in the House Finance Committee. But he's well on his way, prepped and prepared for law school at the Richardson School of Law in the Fall. He learned a lot and said he really enjoyed his experience. Napualani Young, she was the last fiscal analyst to join us. I think she's going to be staying on. I think she got the bug of being in the Legislature and she will be working with Chair Coffman's Office as his new Office Manager. Karisa Look, a second-time veteran. Matthew Tsujimura, a first timer. Micah Munekata, and Michael Ong. Mr. Speaker, how about a round of applause for the Finance Staff.

"Mr. Speaker in his inaugural speech four years ago, Hawaii's President Obama said ..."

Representative Manahan rose to yield his time, and the Chair "so ordered."

The Chair addressed Representative Oshiro, stating:

"Your introduction took up the whole first half of your time."

Representative Oshiro continued, stating:

"Thank you, Mr. Speaker. I think the kudos were well deserved and earned. Four years ago, in his Inaugural Address, President Obama made these statements:

The question we ask today is not whether our government is not too big or too small, but whether it works. Whether it helps families find jobs at a decent wage, care they can afford, a retirement that's dignified. Where

the answer is yes, we intend to move forward. When the answer is no, programs will end. Those of us who manage the public's dollars will be held to account, because only then can we restore the vital trust between a people and their government.

"I believe these words are even more applicable and noteworthy today. Mr. Speaker, your Committee on Finance has accepted its responsibility to craft this Supplemental Budget, constrained by the dynamic and constantly changing fiscal realities.

"We have not taken the easy route, Mr. Speaker, but kept on the course set last year as we continue our voyage through the turbulent water of the great recession. We have not deviated from the course and challenges set for us last year. Mr. Speaker, this is why we maintain that a steady, deliberative approach to this budget remains a prudent attempt at preparing for the challenges in reprioritizing, rehabilitating, and renewing government service in the years ahead. That's right, the three R's. Reprioritizing, rehabilitating, and renewing government service for our employees and those they serve.

"Short-term and long-term goals of the budget are to: Triage targeted programs to ensure that the most basic needs are met, particularly on human services, education, and agriculture; those are the basics. Support long-term planning and accountability efforts to fundamentally change the character and delivery of government services.

"Mr. Speaker for the past three years, since 2009, a common visual aid in our Finance hearings and Conference Room has been a poster which prompted answers to four fundamental questions, and many have seen it.

"The first question was, How far can we cut government programs and services? Second question, What programs and services are we willing to live without? Third question, Are we willing to pay more for the programs and services we want? And the fourth question, What do we want Hawaii to look like when the recession ends?

"As I look back on this Session, I feel that there are still those who believe that any resources available should be spent simply to return to the status quo. Mr. Speaker, to spend money simply because we can, or to merely restore programs that were cut in the past, without evaluation and assessment of our return on investment or outcomes, is simply not the right thing to do. To do so means that we have not learned the lessons of the recession from which we emerge. And let us keep in mind that we are barely addressing longer term liabilities of our public workers: our public workers' pension systems – the Employees' Retirement System, and health insurance costs of the Employer Union Trust Fund.

"This is, Mr. Speaker, my biggest disappointment of this Session, and of this budget. See, about four years ago, the GASB reporting requirements were issued to all states, when we at the state level were notified that we should begin to set aside moneys for the unfunded liability facing us to fund government employees and retiree health benefits, the EUTF. Mr. Speaker, all the counties have, to some degree, put aside a portion of money for this purpose, but the State of Hawaii has not. We should be setting aside nearly \$500 million per year in the EUTF to ensure that we can pay ..."

Representative McKelvey rose to yield his time, and the Chair "so ordered."

Representative Oshiro continued, stating:

"Thank you. We should be setting aside nearly \$500 million per year in the EUTF to ensure we can pay for retiree health benefits when the time comes. We could not get agreement to set aside a mere 10% of that amount, \$50 million as a down payment, a good-faith gesture, earnest money on our future obligations to our current retirees and current workers. We had, in our fiscal plan, a means to meet these objectives over a 6-year period. Mr. Speaker, in a last ditch effort, I even sought to deposit \$5 million, \$5 million of the House portion of the \$50 million of the GIA and bill allocations that you and the Senate President allowed us to use last week Friday. But that too was rejected, Mr. Speaker.

"Mr. Speaker, let us not bury our heads in the sand. The longer we wait to set aside any money for this obligation, the more expensive it will become. Then we will no longer be arguing about how much to spend on human services. Or arguing about how much to spend on education. Or how much to spend on agriculture. Or how much to spend on watersheds. The only thing we'll be paying for then, will be the fixed government costs of debt service, Medicaid, and retirement benefits. Pension and health care for government employees and retirees. But actually Mr. Speaker, let me correct that. There is a solution. We can eliminate health care coverage for current and future workers. No longer will our brothers and sisters, aunts and uncles, mothers and fathers, who are teachers, plant quarantine inspectors, librarians, prison guards, get support in accessing health care after they retire. They'll be on their own, but that is absurd and unnecessary.

"Mr. Speaker, our recovery nationally, and our recovery here at home has changed the lives of everyone. We know that for the next three or four years, we will not get back to the robust unemployment numbers of early 2005, 2006, until maybe to 2015 or 2018. We will no longer experience the skyrocketing growth of the mid-2000s, but a more moderate pace of maybe 2% to 3% for the next four or five years. Mr. Speaker, we are a state where one in five of our population is on Medicaid.

"Most young families cannot afford a mortgage, even with historically low interest rates, and the middle class watches their dreams and the dreams of their children vanish into exhaustion from working two or more jobs to support a family as an income divide deepens and inflation eats away at their gains. Is this what we want Hawaii to look like when the recession ends, or the effects of the recession ends?

"Mr. Speaker, this budget, if revenue projections of the Council on Revenues come through, may provide us an opportunity next year, but all we did this year was miss a golden opportunity to stabilize our long-term financial plan and provide for a stronger State fiscal health. Mr. Speaker, despite my personal disappointment, there is much good in this budget, and those of you who were here in 2007, may remember our top ten reasons to vote for the budget that I used. Vice Chair Lee has it before us. Budget cuts in 2008. We reduced that list to the top five reasons to vote for the budget. Vice Chair Lee also has that chart.

"Mr. Speaker and colleagues, times are tough. But in spite of the recovery that is ahead of us, if we stay the course, I offer you a renewed, rehabilitated, and reprioritized Top 10 Reasons to Vote for the Budget In 2012:

Number 1, \$250,000 to develop an early Childhood Obesity and Diabetes Prevention Program for the State, one of the Governor's initiatives.

Number 2, \$1 million for the Freeway Service Patrol on Oahu, which starts at Fort Ruger Road and will now extend coverage to Ainakoa Street in Hawaii Kai."

Representative Rhoads rose to yield his time, and the Chair "so ordered."

Representative Oshiro continued, stating:

"Thank you.

"\$1.4 million and 19 positions for staffing shortages, electricians, carpenters, plumbers, and housing specialists who will get uninhabitable rental units repaired for waitlisted applicants without a roof over their heads.

"And over \$5 million, Mr. Speaker, to launch the Governor's watershed initiative, a program to protect priority watersheds throughout the State.

"Number 5, \$3.3 million for Hawaii's Adult Education Program, which provides GED, English as a Second Language, and competency-based programs necessary to attain a degree.

"Number 6, Mr. Speaker, \$3.4 million for the Justice Reinvestment Initiative, to bring prisoners home from out-of-state, provide

rehabilitation services, and most importantly, strengthen victim assistance programs at both the State and county levels.

"Number 7, \$22.9 million for Medicaid payments to maintain the safety net.

"Number 8, \$26 million for continued construction of UH West Oahu, and \$3 million for a bookstore, dining room and catering facilities at the new Kapolei Campus, set to open in August.

"Number 9, \$700,000 for the statewide institutionalization of the Na Pua No'eau program.

"And number 10, \$14 million for the Weighted Student Formula, and \$25 million for school buses to ensure support for our students in the classroom and getting them to class.

"The budget before you proposes to triage targeted programs to serve immediate critical needs. This is a balanced investment, a long-term information technology initiative.

"Finally, Mr. Speaker, I look forward to examining the IT plan due in July 2012. This \$25.3 million initiative could fundamentally transform government services, fundamentally transform government services. And what's different about this initiative and the ones we've seen in the past, is that it recognized the computerizing inefficiency for obsolete systems. It doesn't mean we'll be better or more efficient. It simply means that they're automating bad systems.

"The biggest challenge to the initiative is taking a hard, comprehensive look at State programs and services to see what needs to be changed. Success will come when we participate, share our knowledge, and change. The evidence is there in the CIO's working group. Many have come forward and honestly put forward their ideas and discuss their own shortcomings and need to change, and I highly commend those public servants for risking their own standing amongst their peers to come forward and give an honest assessment.

"We should not simply restore funding to restore funding that was cut. We must demand more accountability and transparency, and we will do so as we emerge from this recession. Using the glass is half full approach to the recession we've been struggling through, we all have had an opportunity that it should not be squandered. As we emerge from the great recession, let us not forget what we have learned from the past several years.

"Mr. Speaker, change is difficult, but it must happen, given the metrics in our budget and our financial plan. Simply returning to former funding levels is unsustainable. Mr. Speaker, I look forward to working with everyone in this Chamber as we emerge from the great recession and reprioritize, rehabilitate, and renew the way government works and is funded. I humbly ask for the Members' support on H.B. 2012, CD 1. Thank you very much, Members. Thank you very much, Mr. Speaker."

Representative Cabanilla rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. I rise in strong support of the proposed budget. As your Chair of the Committee on Housing this bill greatly demonstrates the Legislature's foresight, and the need of our people for more affordable housing and rental units. Mr. Speaker, with your indulgence, please allow me to tell you why I make such remarks. This bill funds rental cash assistance and rental assistance, repair and maintenance of public housing, funds the Hawaii Finance and Development Corporation, funds the homeless intervention initiatives, as well as tax credits for those entities that want to build low income housing.

"The second item that I want to thank you for, the Finance Committee, and this Body, Mr. Speaker, is the appropriation for land acquisition and design for a new high school in Ewa which is now fashionably termed 'East Kapolei' in the books.

"Whatever this Body calls this upcoming high school, Mr. Speaker, this appropriation for this new high school is a clear statement of the Legislature's recognition of the needs of an upcoming robust community and how congested Campbell High School and Waipahu High School are currently. I thank this Body for recognizing this need.

"Furthermore, Mr. Speaker, this bill also provides for additional funding for UH West Oahu. This bill, Mr. Speaker, provides funding also for the Hawaii Finance Development Corporation, who partners with private developers in the construction of affordable housing and affordable rentals. I believe this appropriation will address one of the greatest needs of our people. And believe it or not, Mr. Speaker, this bill also provides \$15,600,000 for homeless services.

"Furthermore, all these measures ultimately benefit all our people for the job creation in the implementation of these projects. Job creation, Mr. Speaker. Job creation. Mr. Speaker, although the Chair of Finance is not totally happy with this bill, I submit to you, that I could not have been more proud of the sensitivity and clear demonstration of that sensitivity by the funding initiatives of the Committee on Finance, and the hard work and cooperation of the members of the Housing Committee. If I may Mr. Speaker, on behalf of the people that I represent, I thank you and the entire Body for a job well done this Session."

Representative Ward rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. I rise in support with a few observations. Thank you, Mr. Speaker. As with the beginning with the Chair of Finance, I too am very appreciative of all of his hard work and of all of our colleagues' hard work, and particularly the Minority's hard work and the price that they paid to participate with the Finance Chair. Mr. Speaker, unbeknownst to us we were charged a particular per question fee for the food and a great cause, for the Foodbank. But I want you to know that the Minority paid the most in those fees. Because we love, not only because we love food and the Foodbank, but we love to ask questions, which is part of my role now, Mr. Speaker in this marketplace of ideas and where iron sharpens iron.

"The first macro I guess you'd have say that if this was a family and we were on the kitchen table and we said, 'Here's our budget', the question would be, Would we break out the champagne? Would we maybe bring out a beer? The fact is, we made it through the year, and we actually spent a little bit less on this budget. Maybe \$463,000. But next year, we're going to add a few more million to the point where the budget's going to go up 3.2%, Mr. Speaker. The point is, we've made it through. We have to be grateful that we've gone that far, but we have to be mindful that things on the horizon are not hunky dory.

"Mr. Speaker, you yourself know that we have some things that may be foreboding in terms of what's coming down the pike. It's the concerns of things that are really out of our control. They're external to us. Those things indicated, for example, the oil prices. Everybody knows that even though they went down for a couple of pennies last week, that if the visitor industry, which is leading our recovery, has the ticket prices getting out of reach, our visitor industry could take a big dip in the third quarter of this year. Another huge externality is what's going on with, even though we haven't heard much recently, about the Iranian and the Israel crisis. And then thirdly, it's an unknown factor about the Presidential election of November. And as you are fond to note, that when there are indecisions and uncertainties in the climate, people who would otherwise invest or be bullish are having a tendency to hold back.

"So, Mr. Speaker, we can celebrate with a beer then. We can say that we made it through. But there are few things in the budget that I should point out that probably are a little bit of a surpiser, and I should probably point those out.

"Let me start with the good news. It's really happy to see that the film studios got funding. The spaceport license, Mr. Speaker. One thing that we tried for almost three Sessions, or three years, to get the spaceport license. We're really happy that the PISCES is going to take off, and the whole point of this, Mr. Speaker, is to point out how part of our obligation in protecting the people of Hawaii is to grow the pie. Right now, Mr.

Speaker, if you look at the cost of living, income is down over the last 5 years, 3.2%.

"We haven't grown the pie. We've cut it up in different parts, but in order for everybody to share something, we've got to get more entrepreneurial, more growth oriented. And when we have a spaceport license, when we have PISCES, when we have growth in the area of the film studios, I think it's a good foreboding, because we're not going to be able to make it now. And as the Chair bemoaned the fact that, you know there are hard times with Hawaii's families. I'd bemoan the statistic that 57% of our families cannot afford to send their kids to school with lunch money without a subsidy. 57%. That's got to hurt all of us. We cannot be proud of the fact that we're subsidizing the basic necessities of lunch.

"So, Mr. Speaker, growing the pie. Part of the budget is going to do that, but some parts of the budget, I think, may be a little bit questionable. I was surprised to see that the transpacific cable project was in the budget. I was thinking that that needed a little more airing before it actually went for a dollar amount, and it got put in as a line item.

"But speaking of line items, I'm really happy to see that we've scoured the budget. We just went through every point of the budget and the provisos, there's no state bank appropriation of \$75,000 in the budget. And I want you to know that I've bored people speaking about the state bank and how the Governor doesn't want to be the head of this bank, but we would have made him the head of the bank. So I want to commend the Chair for the marketplace of ideas. Listening to people."

Representative Fontaine rose to yield his time, and the Chair "so ordered."

Representative Ward continued, stating:

"I had no intention of going as long as the Chair of the Finance Committee, but I commend the Chair for being open at a time when we are right on the cusp of making it through. We don't want to do high risk investments such as the state bank, Mr. Speaker.

"Maybe a couple of other surprises are noteworthy. The growth of some of these spending items scares me a little bit because Mr. Speaker, if we look at, and I know we've given the analogy time and again about if the water's boiling, and the frog jumps in, it jumps right out of the water. But when it gets into comfortable lukewarm water, it stays there. It kicks back. It feels good, and in the meantime it gets cooked. The data that we've looked at, from the Minority side, is that groceries, gas, and electricity have gone up 25% to 30% in the last five years. Mr. Speaker, that's on top of what otherwise is 25% more cost of living than the mainland.

"The point is, Mr. Speaker, when we on this Floor say, 'Well look, this new fee, or this new approach to raising revenue is only a cup of Starbucks coffee,' I think we miss the point of what we're otherwise doing to the people of Hawaii. When the cost of living goes so high, and that's why the Chair of Human Services, the Chair of Housing, who can be prideful that, 'Hey we got money for the homeless,' the problem is, that the economy, the growing of the pie has been missing in equation from Hawaii and unfortunately, sometimes, in the budget.

"Lastly, Mr. Speaker, I think if we just have a little bit of reflection on where we are, where we're going and how the astuteness of the Chair of Finance and all the Members, we should be very prideful. But we should also be mindful of the fact, and why we're celebrating this budget and can be happy is because the economy is picking up. Mr. Speaker, that's the private sector. That's the sector that sometimes we, maybe too much on this side of the aisle, speak up saying, 'Hey guys, let's give them a break,' because they have just put the taxes in along with the people of Hawaii that have made this budget a worthwhile budget, and one that we can be proud of. Having said that, Mr. Speaker, okay, no champagne. But I think I'll pop open a beer for the day. Thank you."

Representative Tokioka rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker, in very strong support. Mr. Speaker, I would like to properly thank everyone that contributed to the budget. I would like

to thank the Chair and everyone who had a big part in this process. Thank you, Mr. Speaker."

Representative Souki rose to speak in support of the measure, stating:

"Yes, Mr. Speaker, and Members of the House, I wish to speak in favor of this budget. Again, I wish to thank the Leadership, the Chairman and the Members of Finance, and the CIP Chairman and subcommittee for doing a wonderful job. I think the management especially, in the last hours of the completion of the budget, deserves an A for the great work that they did. You know, we had a lot of work to do coming into Friday, with the House Leadership, and the Chairman and the Conferees, who had the strength and the willingness to work throughout the weekend and to complete the budget.

"To complete the budget is a tremendous task at best, and to do it without an extension, because we were on the verge of an extension. But they did it all, with discipline. That's what it takes to be a good Finance Committee Member, and a good Chairman, and good leadership is discipline. You need to do what you need to do, and they did it. They came out with a balanced budget, with a carryover. It's a good carryover for two consecutive years, and for this I think you deserve much kudos and congratulations.

"A caveat that I may have, is that of course nothing is perfect. I would wish that in future years, in the coming years, that we look at the personal income tax where we need to reduce the personal income tax for those of the middle class and of lower incomes. And of course, to reduce the top income tax, Members. It was down to 7 3/4% at one time, and now it's up to 11%. And that was done by necessity. I've always said that the revenue that we have, and what we had in the past is not enough to maintain all of the State programs that we have, and that we want to have. We're responsible for education, for health, for human services, which many of our counterparts on the mainland are not. But we're responsible for it, and because of that we're constantly fighting the battle of not having enough money, through good years and bad years. So I would hope that as we move along, we would come to a realization, that what we have and what we want to keep will eternally be difficult unless we look at some other means of raising revenue.

"You must remember that during these past few years, we have cut over \$2 billion of the budget. Now this money is money that eventually has to be put back. Wages have been cut. They're paying more for their health benefits. Private programs have been looked at and we have taken money away just to balance the budget. And you can't blame the Finance Committee members for that. We all share in that blame because we're not looking sometimes, at the bigger picture.

"The bigger picture is that we want to have the best education program in the world. We want to have the best lower education, higher education, take care of health, and the poor which are increasing in numbers because of the high unemployment. But the revenue picture is not enough. So, Members as we move along, if you want to maintain ..."

Representative Ichiyama rose to yield her time, and the Chair "so ordered."

Representative Souki continued, stating:

"If you want to maintain the quality of programs, then you have to look at all the areas of enhancing revenue, whatever they may be. And again, in concluding, I certainly wish to thank the Chairman, for his courageous, hard work, and the Committee members, and you, Mr. Speaker, and the Majority Leader, for your leadership. Thank you, very much."

Representative Ching rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. At this time I rise in support of this measure. Thank you, Mr. Speaker. I concur with the Chair of Finance that there are good things in this budget that benefit all the people of Hawaii. And as the Representative, I share, I know, with the Senator of the human services, health corridor of our State, our gratitude.

"This measure, and a very extensive bill, has some things I'd like to highlight with great gratitude. And before I get to those specifics though, I would like to thank the Finance Chair, the Leadership of House and Senate, your staff, and all others, who spent such long hours finalizing this budget. I'd like to mention the General Obligation Bond appropriation for Hawaii Health Systems Corporation. These funds will be used to upgrade medical facilities throughout the State, addressing health and safety deficiencies. As we know, we are a State that has a lot of long-term care needs. Maluhia Center will receive money for this, to upgrade their plumbing, their electrical system.

"We'll maintain medical facilities for all the people of Hawaii to ensure that they can provide the service and treatment for our State. And we thank the Chair of Finance, all of Leadership, all of the colleagues, all of the hard work that went into consideration of the St. Francis Healthcare System of Hawaii special purpose revenue bond. With the St. Francis Medical Healthcare System and the sisters, we have almost a century of service to the poor, the needy, all those that come for help. And it is good that they are going to have this chance to continue to be in Liliha.

"Third, and I'm very, very touched, I'm very happy, to see that a subject deeply important to me, that I mentioned on the Floor at the beginning of Session, allocates funds for the Childhood Obesity and Diabetes Prevention Program. I thank the Chair of Finance, his vision, his courage, his leadership. As you know, obesity and diabetes are not only serious, tragic issues, but they continue to grow in prevalence for our local people. This measure will help to increase awareness of this epidemic, a scourge among our people. It will help to fund research, data collection. The important thing is it would begin our action, action to stop this tide. S.B. 2778 will help educate the public and bring us closer to health of our people.

"So on top of all I previously said, I deeply, sincerely thank all those who worked on it, and also H.B. 304, where the health of our people again, hopefully will be taken care of through the Kalihi-Palama area. Because these will not just benefit the recipients, but the entire community and State of Hawaii, to help the least fortunate and some of those who their health is not well. They're not in the best of health. So I express, again, my views, and voice my support for this bill. I think we made a difference. Thank you, Mr. Speaker. Additional written comments."

Representative Ching's written remarks are as follows:

"Thank you, Mr. Speaker. At this time, I rise in support of this measure.

"This measure is the State Budget bill, and while it is a very extensive bill, there are a few points I'd like to highlight. Before I get to specifics, I would like to thank the Finance Chair, his staff, and all the others who spent the long hours last week and weekend finalizing the budget.

"The first highlight I'd like to mention is the general obligation bond appropriation for the Hawaii Health Systems Corporation (HHSC). These funds will be used to upgrade medical facilities throughout the State to address health and safety deficiencies. It is essential to maintain our medical facilities and ensure they can provide service and treatment for the citizens of the State and our communities. Thank you for this appropriation.

"Second, I'd like to thank the Legislature for thinking about and taking into consideration the St. Francis Healthcare System of Hawaii. The funds provided in this bill and from the SPRBs in SB2939 will help St. Francis provide support and care for the good people of Hawaii.

"Third, and this concerns a subject that is deeply important to me, I'd like to thank the Legislature and those who worked on the budget for allocating funds for a childhood obesity and diabetes prevention program.

"Though I rise in support to the measure, Mr. Speaker, I would like to take this opportunity to insert the words of the Representative from Hawaii Kai as if they were my own. I believe my colleague adequately addresses the appropriate comments and thoughts on this measure. Thank you."

Representative Tsuji rose to speak in support of the measure, stating:

ROUGH DRAFT

"Thank you, Mr. Speaker. I rise in support. Thank you, very much for guiding the House and Senate Committee on Conference. You have demonstrated unwavering support for agricultural sustainability in Hawaii. Guided by the Council on Revenue's forecasting of the State revenues growth of 11.5% during the fiscal year ending June 30th, although lower than what was earlier predicted. The Committee continuously noted that we must continuously strive and consciously protect our ports of entry with inspectors, to defend our agricultural industry from the catastrophic losses that we have been experiencing throughout the years, the relentless invasion of foreign pests.

"This budget notes, that 9 federally funded inspector positions at Kahului were about to be terminated. They have been placed on the budget's general fund. Further, 20 special funded positions lost through reduction in force were originally intended to be placed on special funds. Now the budget calls for general funding. Understanding this strain placed on special funds means that these moneys are now available to be redirected.

"I'd like to add further that other departmental positions that have been severely understaffed have been reinforced via this budget: 2 positions to inspect and audit Food Security and Safety Standards; 2 positions created for the Agricultural Land Branch within the Agricultural Resource Management Division; 4 statewide positions, reinforced for quality assurance, and water, the backbone of agriculture.

"Our short staffed irrigation programs have been provided with 5 irrigation positions; and additionally, 6 positions that were in the special funds for Molokai, Hawaii, and also Oahu have been reinforced. Another 2 temporary positions were converted to permanent positions for the creation of Agricultural Infrastructure Branch for the irrigation systems, statewide. Measurements and Standards Branch, completely decimated by budget cuts and retirements. 4 more positions were added to augment this service statewide.

"In other areas, appropriations to construct the much needed bio-security facilities and replacement of the antiquated vacuum cooling chambers, in Kamuela. This along with other initiatives including the electronic importer manifest legislation, the invasive species inspector dog program, funding for coffee berry borer eradication program, honeybee research program, and feed subsidy programs are all geared to reinforce our ability to withstand the onslaught of invasive species.

"Mr. Speaker, I'd truly be remiss if I would not close on such a cognizant and greatly disappointing activity that took place last month, or should I say a judgment that took place last month, mainly the federal judges issuance of permanent injunction stopping our State from requiring air cargo carriers from charging customers a fee for the efforts to protect our islands from invasive species."

Representative Hashem rose to yield his time, and the Chair "so ordered."

Representative Tsuji continued, stating:

"Thank you, very much. I'm referring to the special funds, the cargo fees that were used for countering invasive species. But I implore upon you, Mr. Speaker, that this should not deter our legislative responsibility to be committed, and to be forthright in our war against invasive species. I truly believe that this budget reinforces that commitment. Thank you, very much."

Representative Marumoto rose to speak in support of the measure, stating:

"Thank you, very much. I do appreciate following the Chairman of the Agriculture Committee. I found it an honor and privilege to serve under him. I enjoyed working for the agricultural cause here in Hawaii, and he's a very dedicated person who's interested in farmers and sustainability. I also was privileged to serve under the Chairman of Finance, Vice Chairman and the staff. I found them very professional. You learn an awful lot if you do serve on Finance, and I got a PhD there. The Minority wasn't privileged

to attend all the meetings, but you know, maybe if we were more involved, we would be more agreeable, and not have to ask so many questions.

"Thank you also, Finance Chair, for the funds put in for sexual assault services. Many members of the Finance Committee did write to request this, so we do appreciate it. But thank you, especially for the \$167,000 in the Department of Agriculture budget to restart the dog detection program. This will pay for 3 inspector dog handlers, and 1 inspector trainer. So, this will help keep out the brown tree snakes in Hawaii. I've sort of bird dogged this particular prevention program since the early '90s when I obtained the first state appropriation to supplement the federal program. This new program will help ferret out invasive species at the airport baggage area, and also in the small package area. So, I just want to shout out a *mahalo* to all persons involved, the Finance Chairs, the Ag Chairs. Thank you, very much."

Representative M. Lee rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. I rise in support of the measure and of the budget. And if my speech is a bit disjointed, the reason is, I actually read the Committee Report. It took me about an hour, but I read the Committee Report. First, I want to thank the Chair of Finance and the Finance staff for their work, often at considerable personal sacrifice. The making of a balanced budget is at times all consuming, and as Members, we owe the Chair and the staff a debt of gratitude. Their calmness and grace under pressure were amazing, truly amazing. The members of the Finance Committee, I'd like to thank them, also. For the most part, they arrived promptly and were rewarded with stars.

"Mr. Speaker, this budget is obviously a collaborative effort between the House and Senate. Personally, there were a few areas that I might have liked to come out differently, especially as Chair referred to the \$50 million to begin addressing the annual required contribution of the Employer Union Health Benefits Trust Fund, the unfunded liability. That was not to be. However, in general, there were positive areas, such as support for agriculture, and support for the aging infrastructure, that are long overdue and very welcome.

"With respect to the comments of the Minority Leader, I would like to remind him that during page by page deliberation over the budget, he often suggested adding items. Do you remember that? Oh he's not there. Mr. Speaker, the times we live in are fragile, and we need to continually remind ourselves to look to the future, despite the needs of the present.

"The biblical lesson of the seven fat cows being devoured by the seven lean cows is something we should not forget. Pharaoh asked Joseph what to do. 'Prepare,' he said, 'for hard times. Grow food, and store food to feed your people.' Joseph got specific. He said to set aside 20% of each of the seven years of bounty. When famine struck, not just Egypt, but the entire Middle East, Pharaoh's people were well fed from the granaries. Egypt had saved enough grain to sell to the neighboring kingdoms. They prospered in a time of famine by Joseph's foresight and preparation. Thank you, very much."

Representative Yamashita rose to speak in support of the measure, stating:

"Thank you very much, Mr. Speaker. I rise in support of H.B. 2012 CD 1. Thank you, very much. Mr. Speaker, I'd like to thank you, the Finance Chair, Finance Vice-Chair, members of the Finance Committee, and of course all my colleagues here, for once again, the opportunity to work on the capital improvements budget on behalf of the House. I'd like to thank also the Finance staff for their support, and especially Puna Chai, who was very vital in putting this together. Her patience and professionalism, is commendable, and paragon. Of course, my staff, Lois Tambalo, Eddie Hayashi, Auli'i Tenn, and John Aimo for their support.

"Mr. Speaker, although there are signs that the State economy is improving, we must remain mindful that the effects of the great recession are still felt across our State, especially through our construction industry which is still experiencing high levels of unemployment. Therefore, Mr. Speaker, it is crucial that we must further reinforce our efforts to stimulate the economy through capital investments and job creation.

"Mr. Speaker, at the end of the 2011 Session, this Legislature invested \$1.4 billion in CIP projects, many of which were shovel ready in nature, and addressed the most basic, yet essential needs of our State infrastructure. Therefore, in light of this, as well as the efforts of our Governor and our Director of Budget and Finance to stabilize our debt profile, we took a very prudent approach in developing this current supplemental budget that we have before us. After carefully considering the economic conditions, as well as the priorities of the departments, we scrutinized each request, focusing on those that can be quickly addressed, can quickly address the backlog, and deficiencies that continue to fester within our State facilities. As such, in addition to the \$1.4 billion appropriated last year, this supplemental budget provides \$429 million more in GO and GO Reimbursable bond funded projects in FY 13.

"Overall, Mr. Speaker, this CIP biennium budget provides nearly \$2 billion in GO and GOR, and more than \$5 billion in all means of financing for CIP projects, statewide. Mr. Speaker, I am confident that this budget will achieve our goals of creating jobs and stimulating our economy.

"I'd like to highlight some of these budget proposals. I'd first like to emphasize that when these projects were addressed as we looked at them from the perspective of health, safety, code requirements, reducing repairing and maintenance backlogs throughout several departments while providing jobs for the unemployed and underemployed residents. These projects are shovel ready and should therefore provide immediate infusion of economic activity.

"For fiscal year 2013, we approved nearly \$250 million in bond funded projects for the growing backlog of all campuses for the Department of Education, and the University of Hawaii. Over \$60 million was provided to address the needs of the Hawaii Public Housing Authority, \$35 million will be used to improve and maintain our community hospitals, statewide. In addition, Mr. Speaker, we provided \$26 million to allow the Departments of Agriculture, and Land and Natural Resources, to continue their efforts to maintain our State irrigation systems, rivers, reservoirs, and dams.

"The need to sustain the programs for economic growth is vital for a robust and growing economy. Mr. Speaker, this CIP budget of over \$5 billion will not only sustain our island state, but will help us into economic recovery. Thank you very much, Mr. Speaker. And may I insert additional comments."

Representative Yamashita's written remarks are as follows:

"I would like to state for the record that there was a technical error in the description for the Palolo Chinese Home grant-in-aid in the capital budget. The correct description should have read as follows (correct material underlined; incorrect material bracketed and stricken):

"Construction [for] and renovation of the dining hall [in] and the care home building. This project qualifies as a grant, pursuant to chapter 42F, HRS."

"This statement is made in order set forth the correct legislative intent for the project."

Representative Har rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. In support, very briefly. Mr. Speaker, I think I'd like to address one of the criticisms from the Governor's Office regarding this budget's failure to address the Hurricane Relief Fund. As members will recall, I think that this Body was very supportive at looking at addressing those issues. But one of the great things about being a part of the Legislature is that, that's what democracy is all about. So, we go to battle with the Senate, and so whatever ends up coming out, is part of the democratic process.

"So on the flipside, although the Governor was in fact disappointed with our failure to fund the Hurricane Relief Fund, there is something positive in all of this, and that is the carryover balance. If you look at the carryover balance Members, I think that that, in and of itself speaks volumes of how strong this budget is. Because notwithstanding the fact that should

anything go wrong, if there should be an act of Mother Nature, then this Body will be immediately able to address such a situation. And in fact, if we are out of Session, the Governor will have that power with the carryover balance.

"So for that, I am very proud of this budget. I want to thank the Chair. I want to thank the Vice Chair, and all of the members, including the Minority. And for you, Mr. Speaker, for leading us through these tough times. Mahalo."

Representative Yamane rose to speak in support of the measure, stating:

"Mr. Speaker, I'm standing in support. Mr. Speaker, I intend to speak quickly and briefly, and at a much faster pace than the Representative from Hilo, the current Ag Chair.

"Mr. Speaker, this budget has been a work in progress for this Session. The Chair of Health, would like to express his appreciation for the Finance Chair, the Vice Chair, the members, and the Finance Staff, because Members, as they crafted this budget, they also realized that there were people's lives being affected right during the Session. With their foresight, with their support, we were able to put in moneys earlier in the budget process to save lives for organ transplants. And with the foresight in putting this budget together, this measure today before you, will actually give resources to be able to save lives throughout the State.

"Members, there are projects here that will help the health systems throughout the islands of Lanai, the Big Island, Maui. And Mr. Speaker, there are needed programs that would want more money for resources, however, during our fiscal situation, we realized that we had to tighten our belt and do more with less. Mr. Speaker, as the Health Chair, I appreciate all the hard work, the long hours, the large donation we made to the Foodbank. But Mr. Speaker, I think this is something that we can take back to our families, with pride. Thank you."

Representative Cullen rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Cullen's written remarks are as follows:

"Mr. Speaker, I rise in support of HB 2012.

"First of all, I would like to thank the Chair of the Committee on Finance, his staff and the rest of the members of the Committee for their hard work and dedication on the State budget.

"I would like to point out that within the budget is a \$150,000 appropriation for the Hawaii National Guard Tuition Assistance Program – a program that has gone unfunded in previous years. Taking the lead under the guidance of the Chair of the Committee on Public Safety and Military Affairs (PBM), this is a great effort because those serving our State and country in the armed forces are often nontraditional students – older, with work or family responsibilities; first generation students; or from low-income households.

"By providing the military individuals with information about financial aid options, flexible schedules and services, it will help to support them through graduation, as many who have served since 9/11 have found it difficult to adjust to civilian life.

"I believe that military members and their families deserve some sort of aid from us in gratitude for their service to our nation, and this appropriation in HB 2012 for the tuition assistance would give these individuals the opportunity to not only attend college, but also to make it more attractive thus enhancing their innate and acquired abilities, and giving them the skills to help them in the civilian workforce."

Representative Johanson rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Johanson's written remarks are as follows:

ROUGH DRAFT

"Thank you, Mr. Speaker. I rise in support of HB 2012, Relating to the State Budget. I am truly gratified that funding for so many necessary and meaningful projects for the people of House District 32 were included in this measure. Funding to help revitalize and expand Radford High School's track will make it a premiere location to host complex and statewide sporting events. Moanalua High School will continue to get support for the next phase of its innovative Performing Arts Complex, which will serve the greater community and State in addition to nurturing the talent of the Moanalua complex. The new Aiea Library, which many legislators before me have worked so hard to secure, will receive additional support through this measure. I am very supportive of HB 2012 and the investments it makes in our community."

Representative Kawakami rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Kawakami's written remarks are as follows:

"Mr. Speaker, I stand in support of HB 2012 HD1 SD1 CD1. I would like to thank our Finance Chair and Vice Chair for their guidance, patience, and for their ability to be brave when courage was needed."

"Mr. Speaker, my characterization of the Finance Chair is this. Imagine the Finance Chair and two of his buddies at his side at the edge of a cliff overlooking the crystal clear, blue Pacific Ocean. He grabs his buddies by the shoulders and gently whispers to them, "Let's see who can hold their breath the longest," as he plunges into the ocean grasping his two friends. One by One, his friends come up gasping for air, while all along, our Finance Chair sits at the bottom of the sea, smiling, waiting patiently, being brave, with the lungs of a *Kohola*. Mr. Speaker our Finance Chair can hold his breath longer than any of us."

"As Committee meetings stretched into the early morning hours, our Finance Chair's patience, openness, and ability to go the distance was very inspiring. Our Finance Chair is surely someone who leads by example, and one who is willing to jump into the trenches with his troops. He is one that will not ask us to do things that he is not willing to do."

"To the members of the Finance staff, a big *mahalo* goes out to all of you. They have lungs just as big as the Finance Chair's. To Vice Chair Lee, your kindness and ability to get us to our meetings on time with incentives and not mandates are greatly appreciated. To Representative Yamashita, *mahalo* for your knowledge, wisdom, and for being a great friend to the people of Kauai. To my fellow colleagues, we have gone to the depths together to formulate a plan that is responsible, that provides services to those who need it most, that creates jobs, that strengthens our educational system, and does not put undue burden on our future generations."

"Mr. Speaker HB 2012 HD1 SD1 CD1 is an example of a collaborative effort that took many hands to formulate. It brings to mind the Hawaiian values of *kuleana* and *laulima* – responsibility and cooperation."

At 10:24 o'clock a.m., Representative Chong requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 10:27 o'clock a.m.

Representative Morikawa rose in support of the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Morikawa's written remarks are as follows:

"In strong support. I would like to thank Speaker Say, Chair Oshiro, Vice Chair Marilyn Lee and my colleagues on the House Finance Committee for their leadership and guidance in the budget process. As a freshman legislator, the wisdom of Speaker Say to appoint freshmen to the Finance Committee allows us to learn the legislative process faster. I am proud to be a part of legislators who worked to bring back fiscal stability to the State's budget. We started our first Session in 2011, facing a huge deficit and a barebones workforce that was not providing efficient services to the people of Hawaii."

"We made some bold legislation and cut funding to many non-profit organizations. I'm thankful that these organizations survived the year and now are getting back some of the funding they so direly need. We have done a stellar job in getting the State out of the deficit, and now we can move forward to strengthen our economy."

Representative Giugni rose in support of the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Giugni written remarks are as follows:

"I am in strong support of HB2012 HD1 SD1 CD1, Relating to the State Budget that combines the efforts of the House of Representatives, the Senate, the Administration, and countless interested parties who have greatly contributed to this measure. The budget takes a prudent approach as the economy gradually recovers from the great recession, but still faces significant segment weaknesses and outside risks. Weaknesses includes the construction sector – improving on Oahu, but down on the Neighbor Islands, and an uncertain Honolulu Rail Transit project. The major outside risk is oil which has moved to over \$100 per barrel and high oil prices restrain visitor growth."

"The budget improves the health and human services safety net, strengthens primary and secondary education, invests in the State's information technology infrastructure, and includes \$50,000,000 to begin addressing the Employer-Union Health Benefits Trust Fund's (EUTF) unfunded liability. In addition, the budget boosts Capital Improvement Projects (CIP) which will add construction jobs and help the Hawaii economy. CIP projects will address many critical health, safety and code requirements, and reduce current repair and maintenance backlogs in primarily the Department of Education, University of Hawaii, Department of Agriculture, and Department of Land and Natural Resources."

"I am confident HB2012 helps Hawaii move down the road to better economic health."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2012, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE BUDGET," passed Final Reading by a vote of 51 ayes.

At 10:28 o'clock a.m., the Chair noted that the following bill passed Final Reading:

H.B. No. 2012, HD 1, SD 1, CD 1

SUSPENSION OF RULES

At this time, the Chair announced:

"Please note, that H.R. No. 124 has been re-referred solely to the Committee on Human Services per the Committee Referral Sheet No. 77."

"Additionally, S.C.R. No. 57, SD 2 has been re-referred solely to the Committee on Culture and the Arts, per Committee Referral Sheet No. 78."

"The Committee on Finance has waived its referral to these measures and it is therefore appropriate for the House to consider action for the adoption of these two measures that are before us."

On motion by Representative Chong, seconded by Representative Evans and carried, the rules were suspended to reconsider action previously taken on a certain House Resolution and certain Senate Concurrent Resolutions.

RECONSIDERATION OF ACTION TAKEN

On motion by Representative Chong, seconded by Representative Evans and carried, the House reconsidered its action previously taken pursuant to the recommendation contained in Standing Committee Report Nos. 1460-12 and 1789-12, recommending referral to the Committee on Finance."

UNFINISHED BUSINESS

H.R. No. 124:

On motion by Representative Chong, seconded by Representative Evans and carried, H.R. No. 124, entitled: "HOUSE RESOLUTION REQUESTING THE DEPARTMENT OF HUMAN SERVICES TO CONDUCT A STUDY ON ASSET LIMITS TO QUALIFY FOR PUBLIC ASSISTANCE," was adopted.

S.C.R. No. 57, SD 2:

On motion by Representative Chong, seconded by Representative Evans and carried, S.C.R. No. 57, SD 2, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE STATE FOUNDATION ON CULTURE AND THE ARTS TO ESTABLISH A WORKING GROUP TO DEVELOP RECOMMENDATIONS REGARDING THE ADMINISTRATIVE PLACEMENT OF THE STATE FOUNDATION ON CULTURE AND THE ARTS," was adopted.

At 10:30 o'clock a.m., Representative Chong requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 10:30 o'clock a.m.

At this time, the Chair announced:

"Members at this time, we will be taking a measure of order, which is H.B. No. 468, HD 1, SD 2, which is listed on page 15. We'll be taking this one out of order at this point in time."

FINAL READING

Representative Chong moved to agree to the amendments made by the Senate to the following House Bill, seconded by Representative Evans:

H.B. No. 468, HD 1, (SD 2)

At 10:31 o'clock a.m., Representative Ward requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 10:35 o'clock a.m.

At this time, the Chair announced:

"Members, let me restate for all of you, we will be taking a measure out of order, which is H.B. No. 468, HD 1, SD 2, which is listed on page 15. The reason why we are taking this out of order is that this is a non-fiscal bill. Before we enroll the budget, the Senate has to adopt the budget also. So we just want to take some of these measures that are controversial out of order for discussion, very honestly, and sincerely."

Representative Tokioka rose, stating:

"Mr. Speaker, can we get a clarification on what the motion does?"

The Chair responded, stating:

"The motion at this point in time is to move to agree to the amendments made by the Senate to H.B. No. 468, HD 1."

The motion was put to vote by the Chair and carried, and the House agreed to the amendments made by the Senate to the noted House Bill.

The Chair addressed the Clerk who announced that the record of votes for H.B. No. 468, HD 1, SD 2, had been received which indicated that the requisite number of House Conferees appointed had agreed to the amendments made by the Senate, and had cast affirmative votes to report said measures to the Floor for final disposition.

H.B. No. 468, HD 1, SD 2:

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 468, HD 1, on the following showing of Ayes and Noes:

Ayes, 4 (Keith-Agaran, Ito, Tokioka and Thielen). Noes, none. Excused, none.

Representative Chong moved that H.B. No. 468, HD 1, SD 2, pass Final Reading, seconded by Representative Evans.

Representative Thielen rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. Mr. Speaker, I'm rising with some serious reservations and really a question."

The Chair addressed Representative Thielen, stating:

"Recess if you have the question. Or would you like speak?"

Representative Thielen continued, stating:

"No, I'm going to say my question now, to you, in session. Mr. Speaker, this is an ethics bill, a county ethics commission bill. I was wondering why would the Neighbor Islands want an Oahu-dominated judicial council to nominate their Ethics Commission members. It's a very Oahu-centric bill, and a little bit arrogant, I believe. When you talk about home rule and home governance, that's much better served under our present system, where a Neighbor Island mayor appoints the Ethics Commission members, and the Neighbor Island councils confirms or rejects those members. I don't think anyone could argue that the Judicial Council isn't Oahu dominated.

"So right there, we've got again this Oahu-centric thinking applying to the Neighbor Islands, and I am just questioning the wisdom of this measure. Thank you. Or I guess maybe the intent behind it, I don't think Oahu is the end all, know all, be all, in our island system. Thank you."

At 10:39 o'clock a.m., Representative Souki requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 10:41 o'clock a.m.

Representative Thielen rose, stating:

"Mr. Speaker, if I could just have a point of information. This isn't my second time speaking. I convinced myself. I'm changing my with reservations vote to a no vote. I don't believe Oahu should be dominating this ethics for the Neighbor Islands. Thank you."

Representative McKelvey rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. In opposition. Thank you. My opposition to this bill isn't about any of the intent or anything else. It has to do with the effect. I think the previous speaker just pretty much mapped out my concerns, as a Representative from the Neighbor Islands about this measure. Especially when you look at the fact that now our counties will be under the control of a Commission that is Oahu dominated with no level of review or certainty that we will be represented.

"Mr. Speaker, my own philosophy has been that we pass legislation not for the sake of passing legislation, but to address a real need, a critical need. And often in my humble opinion, it's guided by our constituents, the public. Nowhere in Maui County, not a single letter to the editor, not a single phone call to my office, not a single email has come in to me telling me about anything that is wrong with the system that Maui County presently uses, Mr. Speaker. Not a one. Nothing.

"In fact, the phone calls I did receive were shock from our County Council Members and the Mayor's Office at how this measure, which was in Conference last year, suddenly re-arose again. Where was the pressing public need? And unfortunately, what happens is, under this, it appears to them, that basically it is being inferred that our County Council and our County Mayor are somehow corrupt. That somehow, that their system is not 100% above board, and that is completely untrue, Mr. Speaker. We have good people who've been vetted very closely by the public and our Council who serve on our County Ethics Commission, and they've done a great job. They have reviewed various cases which have been very controversial, but nowhere has my office received, or I've received in talking story at the beach, at the supermarket, or anything, 'Hey, you guys got to get on this. This is a problem.'

"And I think what we're here to do is respond to the real issues of this State that people are calling and emailing our office about. That's what I'd like for us to focus on. But I cannot support this measure because there is no justification for it. And quite frankly, it appears to me that it sends the message that something is inherently wrong with the Neighbor Islands that the State has to step in with an Oahu-only Council to somehow set things straight, and that's why I can't support this bill, Mr. Speaker.

"I think this is, as a Neighbor Islander, I'm especially aggrieved, and kind of saddened, that this measure would appear. I know the mechanics contain optional language, but again, there has been no pressing or compelling need or input to my office whatsoever for Maui County. If the issue is for another county, then the measure should reflect that, as other measures which are coming before this Body today have tried to do by breaking them out by the various counties. Thank you, very much."

Representative Fontaine rose in opposition to the measure and asked that the remarks of Representative McKelvey be entered into the Journal as his own, and the Chair "so ordered." (By reference only.)

Representative Morikawa rose to speak in opposition to the measure, stating:

"I am in opposition. Thank you, Mr. Speaker. I understand the intent of this bill, but in my previous employment at the County of Kauai, I was a departmental personnel specialist. About four or five years ago, out of all my 36 years plus, for the first time, the Mayor initiated this ethics reporting for every single county employee on Kauai. For me it was a surprise, but these guys actually filled out a form and the Commission reviewed every single employee's record. There were some conflicts, and it was brought to their attention. So with that, I feel that this is unnecessary. Thank you."

Representative Souki rose to speak in opposition to the measure, stating:

"Yes, Mr. Speaker. I'm opposed to this measure, and if I could have the remarks from the Representative from Lahaina, as my own. As with him I am aggrieved that this measure has even been brought to the Floor. I believe that not only does it impede upon the jurisdiction of the counties, which by their Charter is governed. But remember, the State Constitution provided autonomous powers to the respective counties. And within the respective counties, you have charter commissions and councils who make ordinances for their respective residents. If there's any change to come within the ethics system, it should come from the councils or the charter commissions. They are the jurisdictional body for the respective counties.

"Again, I reiterate, the Constitution provides autonomy to the respective counties. This bill impedes the responsibility that the Constitution provides. Thank you very much, Mr. Speaker."

Representative Keith-Agaran rose to speak in support of the measure, stating:

"Yes, Mr. Speaker, in support. Now, I appreciate the concerns about county home rule that have been expressed by my colleagues from Maui, from the good Representative from Kailua, and also from the Representative from Kauai. It's precisely for home rule concerns that I recommended to my fellow Conferees that we agree to the SD 2 established this year. This bill was not in Conference last year, which

addresses those home rule objections. Rather than sticking with the House position which we established and would have required the counties to use the Judicial Council.

"Judicial Council is established in our statutes, and allows the Chief Justice to appoint them. It requires that the Judicial Council be fairly represented. So, if the Judicial Council were to serve in the purpose that's in this bill, then I think the Chief Justice would have to adjust the membership.

"Mr. Speaker, what is before you today, is language suggested by the Attorney General's Office, to address concerns in respect to mandating each county to adopt a charter amendment to provide the Judicial Council nominate the members. Instead, the Attorney General's Office suggested that the selection process for ethics commissioners remain at the discretion of each county, and the present draft adopts language suggested by the Department of Attorney General.

"When the bill was heard in the House, the City Ethics Commission did submit testimony, which frames the philosophical discussion we're having about this bill this morning; whether it's best to continue, the traditional political appointment and confirmation system followed by the counties, or whether it's better to follow the example of the State, which in the view of some in recent years has had a strong, independent, proactive Ethics Commission and Ethics Director.

"Don't get me wrong, Mr. Speaker, I also would prefer to have an ethics commission whose members I know well, and who need to be appointed or confirmed by me, in order to serve and advise me on my compliance with Ethics Code. And I believe that that system can work well. I think that helps with transparency if the public sees who the nominees are, what their backgrounds are and whether they will serve well. But to quote Chuck Totto, the Executive Director of the Honolulu Ethics Commission, 'No one can argue against having highly independent and impartial citizens sit in the State and county ethics agencies.'

"The question, which is what we have here before us today, is what processes are likely to ensure those qualities in agency members. The revised Charter of Honolulu, like I believe the other charters of the counties, provides that all board and commissions members, including those for the Ethics Commission, be appointed by the mayor and confirmed by the council. This provides for the traditional checks and balances, in the advise and consent process.

"The original House proposal, which we heard last year, and passed, would require the counties to adopt an approach similar to the State's by which an independent body would develop a list of nominees for the ethics agency. Mr. Totto pointed out at the time that, unlike the State with its three branches, the counties have only an Executive and Legislative Branch, with both falling under the auspices of the county ethics commission. There was no obvious independent agency at the county to provide nominees in the same way that the Judicial Council does at the State level.

"Now I acknowledge that I don't have an experience with the review of nominees that the State Senate does at our level, or the county councils conduct. And perhaps as I've said, that worked very well in reassuring the public about the quality of people appointed to the county ethics commissions. This bill gives the counties the option of using Judicial Council if they wish to do so. Unlike past versions of this bill, including S.B. 755 for the 2007 Session, this bill does not require the counties to adopt an ordinance or to make a change to their charter. Instead, this bill simply enables the Judicial Council to act as the independent nominating agency if a county changes its charter to name the Judicial Council to make the nominations. Such charter amendments can only be initiated at the county level, and would have to be approved by the people of the affected county. That's home rule. If the people of the county are satisfied with their existing process with its traditional check and balance between the mayor and the council for appointment of positions, this bill does nothing to force them to change that. *Mahalo.*"

Representative Tokioka rose to speak in opposition to the measure, stating:

ROUGH DRAFT

"Thank you, Mr. Speaker. In opposition. And I'd like to insert the words from the speakers from Maui and the Representative from Kailua as if they were my own, Mr. Speaker. I look at this bill as a total home rule issue. I think I've spent more time on the county council level than most in this Body – 10 years, Mr. Speaker. And when you come from a Neighbor Island county, just even being in part of this Body, you feel intimidated. You feel like everything is Honolulu-centric.

"So, Mr. Speaker, when I look at the merits of the bill, my position in opposition is basically that, Mr. Speaker, and I'll just talk about the Kauai situation. If you look at the nomination selection as the Chair of Judiciary said, the Mayor appoints, and the Council confirms. In that process, you have three Readings, minimum, before any selection can be approved. So at those three Readings, the public can go to the County Council Chambers and give input on a particular member.

"The way this bill is set up, Mr. Speaker, there is no process for that, as it exists in this bill right now. There is some language, at the end of page 1 that kind of confuses it. It says, 'Provided that the county charter or ordinance requires members of the commission to be appointed from the nominations made by the Judicial Council.' This language is not in anyone's charter on any island.

"So, I would say that if it's not broken, as the Representative from Lahaina said, why would we try to fix it? Because we're just putting our *mana'o* and telling the councils, 'You guys are not ethical. Mayor Kenoi, Mayor Carvalho, Mayor Arakawa, Mayor Carlisle, you're not ethical. We're more ethical than you.'

"I'll give you the members from Kauai, who are on the Ethics Commission. The Chair, Kurt Akamine, who I know every single member from the delegation of Kauai knows who he is. He's the President of Hawaii Long Term Care Association on Kauai, a big group that helps *kupuna* in our community. The Vice Chair, Mr. Speaker, is a former Navy Seal. He was the Human Resources Director for the largest plantation company on Kauai. He's retired now. The Secretary, Mr. Speaker, is an attorney and a Hawaiian rights activist. His name is Warren Perry. The next member is Kathleen Clark. She is the CEO of Hawaii Pacific Health Wilcox Hospital, the largest health care system on Kauai. Calvin Murashige, Mr. Speaker. I know many of you in this Body know who he is. He's a retired judge, Mr. Speaker. Would it be incumbent on anybody from Kauai to say that these members are not ethical enough to serve on a commission?

"And Mr. Speaker, this Judicial Selection Council, 15 members, ladies and gentlemen. 15 members. Where are they from? They're all from this island, and nothing in this bill says, that anybody on that selection committee needs to be from the Neighbor Island. As we all know, Chief Justice Recktenwald is a very admirable man, and if he thought this bill was good, he would have been introducing it. This didn't come from the Judiciary. This came from within this building, Mr. Speaker. So, I have a hard time with that process, and I don't know why I would need to tell a former judge for 30 something years, he was a judge, Mr. Speaker. Or a former Navy Seal, and others on Kauai, that you're not ethical enough. That we need people who are more ethical than you.

"And anybody from the Neighbor Islands I would suppose that you would feel the same way, because I have the list of the other members from the Neighbor Islands, but it's not my *kuleana*. It's not the island that I represent, so I won't go there. But I think for those reasons, Mr. Speaker, this is not ripe, as attorneys would say. This is not ripe. The people who submitted testimony in support of this bill, Mr. Speaker, I've sat in committees when they've said, 'How can you pull a bill from last year, out in a Committee, in one Committee, send it over to the House in one Committee, and pass a bill like that. That's not open.' And we hear it all the time. But now that they support this bill, it's open? I don't think so.

"So, Mr. Speaker, and colleagues, I think most times when people make Floor speeches, people have already made their mind up on what they're going to do. I hope that in this case, it's not that, Mr. Speaker. Coming from a Neighbor Island, this bill is not ready, and I ask my colleagues to vote in opposition. Thank you very much, Mr. Speaker."

Representative Souki rose to respond, stating:

"Yes, Mr. Speaker. I will not be speaking again, against. I will yield to the eloquence of the Representative from Kauai, as to his remarks. Thank you."

Representative Wooley rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. In support. I'd just like to make a couple points here. I'm not sure why there's an effort to make this personal. It's not about anybody in particular. It's not an attack on anybody. It's a legislative change. Historically, the Constitution, the State Constitution, requires that ethics commissioners be appointed in a way that is impartial. At the moment, the way it usually happens is the mayor appoints, and in some counties there's also a council approval process.

"But there has been report, after report finding that when that happens, when that process is allowed, you have the foxes watching the hen house. And it's not that there's anybody bad in the room. But when you have a process where you pick your friends to be your ethical, legal advisors, problems can arise. This bill, I actually really think the language was brilliant. It gives the counties the option. It gives them a tool, a resource, one that the State has used and it has been successful, but it doesn't mandate anything. So they have to go through their own process to decide how they're going to address the constitutional obligation.

"I would also just like to note for the record a County of Suffolk report talking about this very issue. I would also like to refer to the bill that passed this Body in 2007. That was S.B. 755 and it mandated that the counties do a process. So, I'm having a hard time understanding if there's someone who has as concern about the counties having an option to do something when they previously, in 2007 voted to mandate that the counties do the same thing."

Representative Luke rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. Mr. Speaker, in support and very brief remarks. As pointed out by previous speakers, this is just a permissive process. It allows the counties to adopt this process if they want. But I'm all in favor of separating the ethics body that decides on ethical issues for the legislative and executive level, to be separated from the appointing body. Currently, that's the process that is used by the counties, and this allows the counties, if they wanted to change that process, to utilize this process.

"I'm a little puzzled because throughout this whole discussion on this H.B. 468, there has never been any opposition raised, like the ones being raised recently, and there has been no opposing testimony. So I'm in strong support. Thank you."

Representative Fontaine rose to respond, stating:

"Yes Mr. Speaker, thank you. You know, I'm hearing all this discussion, and it brings the question of where does this end? Are we going to start mandating how the counties pick their Civil Service Commissions? The reason why we haven't heard anything from the counties is because they didn't know about it.

"Mr. Speaker, you know very well we had a meeting yesterday with the Big Island Mayor, who didn't even know about this measure. And once he found out about it, he was shocked. So there hasn't been openness. There hasn't been transparency in this bill. And from everyone I've spoken to from other counties, they've all said that they oppose this. Thank you, Mr. Speaker."

Representative Ward rose to speak in support of the measure with reservations, stating:

"Mr. Speaker, with reservations. Because as the speaker from Kauai alluded to, some of us do make up our mind before we come out here. Mr. Speaker, I think this is the one where we need to weigh the voices, the words, the heart of the Neighbor Islanders, and quite frankly, I'd really invite the other Neighbor Islanders who haven't spoken, to tell us, on

Oahu, what they think of it. So far, it looks like the Neighbor Islands are getting Oahu's fingers poked in their eyes. Thank you."

Representative C. Lee rose to speak in support of the measure, stating:

"Thank you, in support. Just very briefly. I think it's absolutely clear that we need to take steps to ensure that there's a perception in the public that we're doing things transparently, openly. And especially in small communities on the Neighbor Islands, where many of my friends serve in various capacities in county government, I think it's clear that it's an island in most cases, where everybody knows everybody. And at any point, you're going to run into someone who you know at the super market, and you'll run into them in your workplace, and be able to have that existing connection.

"So to create a further barrier between someone with whom you're friends, and someone with whom you work, and to create the public perception that there is indeed an impartial process in place, to make sure that, despite those relationships, you're going to have people who are solely invested in the purpose and intent of the job, and nothing else, ensuring ethical outcome. I think that's what this bill really enables counties to do. So, in that perspective, in support."

Representative Saiki rose to speak in support of the measure, stating:

"Mr. Speaker, I rise in support of this measure. I'd just like to clarify that the argument concerning home rule is somewhat misplaced, because the county ethics commissions are the creature of the State Constitution. The State Constitution requires the State and the counties to form ethics commissions, and it delegates to them the responsibility to administer those commissions. The Constitution is silent with respect to the composition, the manner of composition and appointment, to those respective commissions. So, accordingly, it'd be fair game to provide the counties with an option to use the Judicial Council to nominate members. Thank you, very much."

Representative Tokioka rose to respond, stating:

"Yes Mr. Speaker, I can't remember in six years that I got up twice to speak about an issue. But I just want to talk about the earlier comments made, about openness and transparency of a selection process.

"So these 15 members of the Judicial Council, there's nothing set up on how they select these people. So they're going to select in Kauai's case, we have 7 members. In the Big Island's case, they have 5 members. I think Maui has 7 as well. These 15 people, who are not from any of the Neighbor Islands are going to select people in a meeting room some place, with no Chapter 92 involved in it. These are good people, but still, there is no transparency. There is no open process the way this bill is written right now, Mr. Speaker. So once again, for those reasons, Mr. Speaker, in opposition."

The motion was put to vote by the Chair and failed to carry, and H.B. No. 468, HD 1, SD 2, entitled: "A BILL FOR AN ACT RELATING TO COUNTY ETHICS COMMISSIONS," did not pass Final Reading by a vote of 22 ayes to 27 noes, with Representatives Aquino, Awana, Cabanilla, Carroll, Chang, Choy, Coffman, Cullen, Fontaine, Har, Herkes, Ichiyama, Ito, Jordan, Kawakami, M. Lee, Manahan, McKelvey, Mizuno, Morikawa, Souki, Thielen, Tokioka, Tsuji, Ward, Yamane and Yamashita voting no, and with Representatives Giugni and Hashem being excused.

The Chair then announced:

"Members of the House, H.B. No. 468, HD 1, SD 1, is defeated."

ORDINARY CALENDAR

UNFINISHED BUSINESS

At this time, the Chair announced:

"S.B. No. 2927, SD 2, HD 1, CD 2, will be deferred to the end of the calendar. Deferred to the end of the calendar."

S.B. No. 2927, SD 2, HD 1, CD 2:

By unanimous consent, action was deferred to the end of the calendar.

The Chair then stated:

"At this time, for S.B. 2341, SD 2, HD 2, CD 1, we will take this out of order and we'll debate this particular issue at this point in time."

Conf. Com. Rep. No. 67-12 and S.B. No. 2341, SD 2, HD 2, CD 1:

Representative Chong moved that the report of the Committee be adopted, and that S.B. No. 2341, SD 2, HD 2, CD 1, pass Final Reading, seconded by Representative Evans.

Representative Thielen rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. This is the agricultural tourism bill. I'm standing up to vote no, and I'd like to explain why. Mr. Speaker, an attorney that I highly respect, who is one of the State's best experts in land use law, sent the following information to me: 'S.B. 2341 amends section 205-4.5, Hawaii Revised Statutes to allow tourism activities, including overnight accommodations of 21 days or less for any one stay within a county, provided that this paragraph shall apply only to a county that includes at least three islands, and has adopted ordinances regulating agricultural tourism activities.'

"Clearly then," he continues, 'this provision applies to Maui County, at least, if the County adopts the necessary ordinances. But what about the City and County of Honolulu, which in addition to Oahu, includes most of the Northwestern Hawaiian Islands including the Islands of Nihoa and Necker, and such minor offshore islands as Manana and Mokolii. Similarly, Kauai County includes the Islands of Niihau and Kaula in addition to Kauai itself. If you see page 9 of S.B. 2540, CD 1, that section recognizes that Kauai County has three islands, Kauai, Niihau, Kaula.'

"So while we're sitting here with a bill that allegedly is going to only allow ag tourism of 21 nights on Maui, the bill actually applies to Oahu and Kauai as well. If we take the action to pass this measure, Mr. Speaker, it's pretty clear that a land use attorney with this type of knowledge and experience could successfully argue in court, the Legislature put past a bill that allows counties with three islands to go ahead and have ag tourism. So what was intended by some people as a well meaning, let's help Maui agriculture, ends up hitting all of our islands. All of Oahu and Kauai. And I don't believe either of those entities had a chance to weigh in on the possibility that this bill would apply to their islands.

"When you take a look about the agricultural property, it will now be valued for the highest and best use. So, what's that going to be? Growing tomatoes, arugula, basil? Or is it going to be ag tourism of 21 days or less? It's going to be valued at the highest and best use for rental and tourism. Not for farming.

"So, what does that do, eventually to the agricultural land? The agricultural land will be priced for their vacation rental value, and not for their farming. During one of the hearings, there was testimony about a property being marketed, ag land with beautiful views. And you stop to think, well tomatoes don't need a view. What's the purpose of the beautiful view, Mr. Speaker? You know. I know. It's because they want the ag tourism, and unfortunately, under S.B. 2341, they would get ag tourism on Oahu, Kauai, as well as Maui, which was the intent. Maui was the intent of the original bill.

"The price of farmland is nearly out of reach for food farms today, and the vast majority of Hawaii's food is grown on rented land. The problem with expanding this is that we're going to really remove the agricultural land from production. Of course, they'll have their sort of token farm for the ag tourism. Come water the basil and see the goat."

ROUGH DRAFT

Representative Johanson rose to yield his time, and the Chair "so ordered."

Representative Thielen continued, stating:

"Thank you. The ag tourism is what's really going to fuel this market. It's going to bring that money in to those operators, and it's not going to help the farmers. Our youngsters graduating from school, where they've maybe had some local food information and education. Maybe they've had a school garden. Maybe they want to go into agriculture. But the land won't be available, Mr. Speaker. You and I both know that. The big bucks are in the tourism part. And when you couple ag and tourism, tourism trumps and wins.

"I would like to suggest and read to Members, an email that I received from a Diane Kanealii who says: 'I'm a lifetime resident of Moku O Keawe. I urge you to kill S.B. 2341, which will allow bed and breakfast vacation rental type of activities on ag lands. There are plenty of lands dedicated for commercial hotel purposes, and certainly enough hotel rooms, timeshares, and vacation rental properties to accommodate the tourists. But allowing these short-term vacation rentals is not good for the hotels, the workers, or those who are truly trying to produce agriculture products on their agriculture lands.

"With Hawaii importing 80 to 90% of our food supply, this bill would use more ag lands for tourist operations versus what it was truly set aside for, therefore, setting the trend to be more dependent of tourists, and less on self sufficiency for food. Ag lands were developed and designated for agricultural purposes. Please do not allow these types of operations to occur,' she writes. 'Who is really benefitting from this? The general population? The only ones I see benefitting are those who bought ag lands knowing that it was set aside for agricultural activities, but want to change it to benefit themselves.'

"In other words, the purchaser of that property that was marketed ag land, beautiful views. Mr. Speaker, this bill, unfortunately, has much broader applications than was originally intended and I think it's appropriate that we recommit it to Committee. Thank you."

Representative Herkes rose to speak in support of the measure with reservations, stating:

"In support with some reservations, I wish you'd consider Hawaii Island. We're talking about wilderness lodges. This State is way behind the rest of the country and the rest of the world in developing wilderness lodges. I've talked to many, many, many farmers in South Kona who would welcome the opportunity to have some additional income with some green lodge, wilderness lodge. And just for the record, I have 400,000 acres of zoned agriculture in my district. Thank you."

Representative McKelvey rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. In support. I want you to know that this measure, Members, was brought, not because it was a priority of the delegation. It wasn't because we started off this Session in saying, 'Hey, we need to do something at the State level.' It started up because a Conference Committee several years ago, with no public input or anything else, stuck a sentence into a bill that looked innocuous at the time, but basically said you could not have any overnight stay whatsoever on any land zoned agricultural, statewide.

"Then our County Council and our Mayor on Maui started looking at the issue of agricultural tourism, and also how to create a structure, working with the community that would allow legitimate farmers, the ability to have this type of activity. And also set up a review, a complaint process, as well as really being very stringent about what is *bona fide* ag and what isn't, Mr. Speaker.

"Then, when they went to sign this ordinance into law, it was brought to their attention, that because of this little sentence that was shoved in at a Conference Committee at the 11th hour, and 59th minute, several years ago, that they could not enact their own ordinances. Then they asked the

Maui Delegation, would we introduce a measure so that Maui County could at least enact these ordinances after they reached out to everybody, to try to come up with a system that is very stringent.

"Now, one of the members of the Conference Committee of that original bill, sat across the table from us in this Conference Committee, and both she and I have been very clear from the very beginning, she is very clear on the record that she does not want to see this on Oahu. We're both very clear that we do not want non-*bona fide* ag to be a beneficiary.

"I took a little umbrage at the comment that everybody who does ag tourism is somehow a fake farmer, Mr. Speaker. Try telling that to Ali'i Lavender, to the family of Ali'i Chang, that they're fake farmers, Mr. Speaker. Try telling that to the Waipoli guys, to the strawberry guys, that they're fake farmers, Mr. Speaker.

"In fact, there was an article in the paper just yesterday about how this measure, if enacted by Maui County, will allow some of these family farms to survive, and hire young people and keep them on. It's the idea of promoting sustainability. Of sending them home with locally grown products, that they will reorder again. To show them that the sustainable local way of farming is the new way of agriculture that will touch upon all shores, all over the world. Because of one little sentence in a bill, what we're trying to do is to get Maui County the ability to just move forward on this measure, Mr. Speaker.

"And even with that parameter, the magic words, 'and ordinances adopted' is in there. This does not affect Oahu county, unless your Council all of a sudden, tomorrow, rushes something through the three hearings process, and gets it up to the Mayor and signs it. And given the comments of Chair Martin and others, I don't see that happening anytime soon, Mr. Speaker.

"For the Kauai Delegation, I agree. This is a gray area, because of the Senate's position of looking at delimiters. And of course, I supported the House position which was reflected in a Floor Amendment by my colleague from South Maui, and you know, that's a shame. But the whole intent of this is to ensure that a county like Maui that has stringent ordinances can do this. And even with that, Mr. Speaker, even with the 'and ordinances adopted,' past tense, we still put in language that it has to comply to 165.12, which is what the State's view of activities that constitute *bona fide* agriculture.

"So you've got three attempts to try to basically bifurcate this out, Mr. Speaker. And now, some have said, 'Well you've got this special permit process. You can go through that.' Well from the testimony your Committee received from the people of Hana. It's a very long process. It involves attorneys, 10, 20, 30-grand. A lot of hearings. And so what happened is, the one person who did go through that process in Hana, their neighbors saw them, and what the heck they had to go through. They decided just to do it on their own. So this attempt is to try to stop this wildcat proliferation within *bona fide* ag. Let's try to create a system so that we can make sure that only *bona fide* ag has this ability and a very limited basis, Mr. Speaker. That's all this is.

"All we're trying to do is to ameliorate a sentence that was stuck in to a Committee Report for the Conference Draft several years ago, that put us in this position. And as one of the authors in there, who sat across the table from me, which is why we noted it in the Committee Report, the *bona fide* ag section, none of us wants to see this, especially the Oahu Members. They don't want it coming here, and that's why the, 'and ordinance adopted,' keeps it from happening.

"Now if your Council rushes something through and fast tracks it, I will be blown away. But that's not going to happen, Mr. Speaker. While there probably was a better way to do this, I don't think this will bring the woes upon Oahu, that has been stated by some of the previous Speakers. It's only to allow Maui to"

Representative Choy rose to yield his time, and the Chair "so ordered."

Representative McKelvey continued, stating:

ROUGH DRAFT

"That's pretty much it, Mr. Speaker. So again, colleagues, however you want to go, I understand. But it's important that you know how this originated, and what we are trying to do. I especially do allude to the Representative of the North Shore, because through the entire process, I worked with him to try to make it clear that this is not our intent. Thank you very much, Mr. Speaker."

Representative Ward rose to speak in opposition to the measure, stating:

"Mr. Speaker, in opposition. Mr. Speaker, the reality is after pine and sugar left, our lands have been growing weeds. They've been growing houses. If you want to put anything about the bill, it may not make fake farms, but it'll encourage people to be fake farmers in the sense that if they're not an ongoing entity, as the gentleman from Maui said. They may reach some semblance of that."

"My position is, Mr. Speaker, we have an obligation to the Constitution, to promote agriculture. To preserve agriculture, to be diversified with agriculture, and right now, it's only now a renaissance of agriculture is here. I'd say, before we short circuit it, and let the tail wag the dog, because it's much more lucrative to get 100 to 200 bucks a day with a view, and a breakfast, and a lunch and all the other stuff, than go out there and slave in the hot sun."

"So Mr. Speaker, I'm saying let's give farmers a chance. Let's give diversified agriculture a chance. And then if we can't do it, okay, let the tourists come in and let that happen. But right now Mr. Speaker, we've got to diversify the economy, and we're just not getting to where we can give agriculture a chance. Not this one. Thank you."

Representative Fontaine rose to speak in support of the measure, stating:

"Yes, Mr. Speaker. I rise in support. First I'd like to have the words of the speaker from Lahaina entered as my own. And I just wanted to make a few brief comments if I may. You know, ag tourism, like eco-tourism, is a specific niche market, that will attract visitors that may not necessarily come here. They don't want a hotel experience. They want to come here to understand and learn about the host culture. They want to learn about how taro farming is done. Ag tourism is an opportunity for those people to come here and have that experience, and be able to take that back to wherever they're from."

"Mr. Speaker, being a farmer in the State of Hawaii, as you know, is extremely difficult. They get up before the sun rises, and they don't go home until the sun has set for many hours. They work in the dark. They have one crop of tomatoes that gets white fly, and it wipes out their entire crop. That's it. All their income is gone. So this will help supplant farmers who struggle everyday to provide us fruits and vegetables grown locally here, and I think this is a wonderful way that we can help farmers proliferate, and hopefully survive and succeed. Thank you, Mr. Speaker."

Representative Riviere rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. In opposition, and I would like to say a few things. I very, very much appreciate the efforts of the Representative from Lahaina. He has very earnestly worked to make sure that the bill only affected the Island and County of Maui. I'm thankful for that."

"The concept of overnight accommodations on agriculture lands in itself is not a bad idea. I could see in lands where they're clearly farming wheat farms in Kansas, or something in Montana, or something where they could add some additional income. That's a great idea. It is a bit concerning here, and it is a worry because we are such a tourist destination."

"Now with the strong support from the delegation from Maui, I want to very much respect their positions on that. On this Island, obviously we don't want it. No way. No how. And this County does not have any strength, apparently, to regulate vacation rentals, or try to do its work on fake farms. Vacation rentals on fake farms would be the end of the North Shore agricultural district."

"So I'm very thankful again that it tries not to apply to Oahu. I am disappointed that the Senate in the Conference Committee amended it to have this ambiguity that now sweeps Kauai into the situation. So for those reasons, I would like to note my opposition. Thank you."

Representative Cabanilla rose to speak in opposition to the measure, stating:

"In opposition, Mr. Speaker. I know I'm not from Maui, but I do care for the entire State. And although there are safeguards that are put in this bill for *bona fide* agriculture, I consider this a bad policy, because it's just like opening the door for misuse of agricultural lands. Maybe the safeguards are there today, but it only takes a stroke of a pen to change those safeguards and for those reasons, I'm in opposition. Thank you."

Representative C. Lee rose to speak in opposition to the measure, stating:

"Thank you. In opposition, very briefly. I appreciate, absolutely, the work that the Maui Delegation is doing, and the intent and purpose for which they're doing it. Maui County can do its thing and that's not an issue. I think I wanted to use this though rather as a moment to comment on the broader policy. Hawaii needs agriculture. We need farmers, and we need what it produces for our State, no question. I think this is a real chance to decide: Do we help farmers? Or do we help farmers?"

"I think, statewide, having visited dozens, if not hundreds, of different farms and farmers, absolutely they feel the pressure and feel the need to diversify into other means of value-added products and roadside sales, transient accommodation rentals and the like, in order to stay afloat. But I think the broader policy is, do we help them with that in the long term? Or do we actually help them become productive farmers? Do we give them the incentive to be able to operate the way they want to operate and further their farming production? To remove the speculative interest that is driving up their lease cost, and the price of land for new farmers, and permitting them from getting involved. That's the broader question that I just ask and put out there, in the long term, because at the end of the day, we are a tourist state, but we absolutely do need agriculture, and it's one of the few pillars of the economy that has a bright future here. Thank you."

Representative Chong rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. In support. I just want to clarify. I know there's been some discussion on whether or not it includes Oahu. It doesn't include Oahu. And as far as when I read the bill, and I read the rest of HRS, it does not. For Members' edification, if you look at Chapter 4, Chapter 4 sets our boundaries for election, taxation, education, City, county, and all other purposes. Here are the islands, and Oahu only has one. Thank you."

Representative Pine rose to speak in support of the measure, stating:

"In support, Mr. Speaker. I take a different look at something like this. I actually believe that the reason why ag hasn't thrived as much as it used to, is because we're really not honoring it, or treasuring it enough. And what a way to promote agriculture and how wonderful it is, and the opportunities that you can have with good agriculture, then they have ag tourism. Of course, it makes economic sense to those farmers who are suffering, and just trying to make it in Hawaii, so for that reason, I'm certainly in favor of it for that reason, because we haven't done enough to the farmers to give them the benefits and the breaks so that they can succeed in Hawaii."

Representative Luke rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker, in opposition. The bed and breakfast issue on the County of Oahu has been a very heated issue with the City Council, and it continues to be, and especially people on the North Shore side, the Windward side, and certain segments of the other coastal areas. We continue to struggle with the issue of bed and breakfast, and how do you regulate this type of activity. I'm afraid that this bill is going to lead to proliferation of more bed and breakfast. Currently the City Council still struggles with how to regulate these kinds of activities within the City and County of Honolulu."

"As far as the three islands issue, it is clearly ambiguous. Because if the bill had been written to state that three inhabited islands, it might be a different issue. But it was written ambiguously to swoop in Kauai and Oahu and the Big Island. And because of that, in the mean time, while the bill is being fixed, for the county to act, there might be other types of bed and breakfast accommodations springing up. Daily we struggle with this type of activity springing up in neighborhoods, that really don't want this type of activity to occur. So, strong opposition."

Representative Har rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. In support. Mr. Speaker, I'd like to quote from a June 9th, 2011 *New York Times* article, and I quote:

For all the talk about sustainable agricultural, most farms are not self-sustaining in a very basic sense. They cannot make ends meet financially without relying on income from other jobs off the farm, but increasingly farmers are eking more money out of the land in ways beyond the traditional route of planting crops and raising livestock.

Known as agritourism, such activities are becoming an important economic boost for many farmers.

The USDA census of agriculture, which is conducted every five years, has found that most farms now are only bringing in 13% of their income from the farm, which is why this whole move of agritourism has taken off.

"The article goes on to say that,

The agritourism movement is fueled by city dwellers who want to understand where their food comes from, or who feel an urge to embrace the country life."

"Mr. Speaker, there's been a lot of talk in this Body regarding who this bill should apply to, and as the Vice Chair and on behalf of the Chair of your Committee on Water, Land and Ocean Resources, we had put in language because this bill was to apply only to Maui County. In Conference, we went to three counties, because I think as a policy matter, Members, to continue to use numbers to determine which islands bills should apply to, I think we need to move away from that, quite frankly, because our population continues to grow. And if we continue to have, using, you know, population counts in statute, it creates a very dangerous precedent, now, because one law could be valid one year, and then moot the next year, because population counts continue to move.

"So, as a result, the Conference Committee put in counties of three or more, with the understanding that it applied to Maui County only. But to be sure, if there is any doubt, I think Members should look to page 6. Really, that is the dispositive factor. Meaning, that is the key here. That this shall only apply where their county has adopted ordinances regulating agricultural tourism activities. At this time, Mr. Speaker, Maui County is the only county who has done that, and that is why this applies only to Maui County at this time. Thank you, Mr. Speaker."

Representative Thielen rose to respond, stating:

"Thank you, Mr. Speaker. I respectfully disagree with the prior Speaker. The land use attorney that I've mentioned, has thirty years of experience in land use in the State of Hawaii. This bill could have been worded, on page 10 and then on the earlier page, shall only apply to a county that includes at least 3, with the added words, 'inhabited islands.' Then we wouldn't have had this problem. Your Minority Caucus could have proposed an amendment, but we always know what happens if the Minority proposes the amendment. The Majority does not accept it. But the word, 'inhabited' is missing. So it clearly can apply to the City and County of Honolulu, and certainly to Kauai.

"I again refer Members to S.B. 2540, page 9, the Islands of Kauai, Niihau, Kaula County of Kauai..."

Representative Chong rose to a point of order, stating:

"Mr. Speaker, point of order. The speaker from Kailua is referencing another bill. She should just stick to this one."

Representative Thielen continued, stating:

"The County of Kauai is clearly referenced as having three islands in legislation that is before us as well. So the bill is too broad. It could have been narrowed. If Maui wants this, fine. But then it should have said inhabited islands. Now we've made it possible for people to lobby and push on Kauai to extend ag tourism there, and to extend it to the City and County of Honolulu.

"Mr. Speaker, I'd also like permission to insert certain paragraphs from the testimony from the City and County of Honolulu, in opposition to this bill, into the Journal. Thank you. And, Mr. Speaker, I do want to disclose, they're written by Laura H. Thielen, my daughter, a former agricultural liaison for the City and County of Honolulu. She wrote them when she was still in that position. Ag liaison for City and County of Honolulu, and the City and County of Honolulu is firmly in opposition of to this bill. Thank you."

Representative Thielen submitted the following excerpt of testimony from the City and County of Honolulu:

"By itself, SB 2341 has the potential to transform much of the agricultural district, particularly the scenic regions, into a vacation rental district. The profit margins of agricultural uses simply cannot compete with the profit margins of tourism. Allowing tourism and vacation rentals as a primary use on agricultural lands will affect the valuation of these lands. Agricultural property will be valued for the new "highest and best use," primarily vacation rental and tourism, not the farming potential. This will increase agricultural property values, and subsequently the property taxes, of bonafide farmers and retired farmers, and increase the sale and lease prices for agricultural lands to the point where they may no longer be affordable for farmers to buy or rent.

Permitting, tourism including vacation rentals as the primary use on the most productive lands in the agricultural district establishes a precedent for the State. Once that precedent is set, it is only a matter of time before proponents argue to extend it statewide, including to Oahu.

In addition, permitting primarily non-agricultural uses and impacting the valuation of agricultural lands on the neighbor islands may negatively impact the food supply for Oahu, as this island relies upon agricultural products from neighbor islands.

I recognize that the bill retains a reference to tourism on a: working farm, however that reference specifically refers to farming operations as defined by HRS 165-2. HRS 165-2 is the Right to Farm Act. That section of the law purposefully defines "farming operation" very broadly in order to deter complaints about any aspect of a farm. However, the consequence of using this section of the law as the definition of "farming operation" is that provided any one of the listed activities - even if it is not a bona fide farm, will mean the tourist operation is permitted. For example, a property may have a beautiful flower and herb garden which provides fresh produce for an on-site restaurant and vacation rental, with a roadside stand selling fresh flowers and herb. This will be a permitted use under the proposed bill.

If the intent is to continue the prohibition of agricultural tourism operations in the absence of a bona fide farm, then the purpose clause of SB 2341 should be amended, and the reference to the requirement of a bona fide farm should not be struck from HRS 205-5, as is proposed in this bill."

Laura H. Thielen, Agricultural Liaison, City and County of Honolulu

Representative Carroll rose in support of the measure and asked that the remarks of Representative Har and McKelvey be entered into the Journal as her own, and the Chair "so ordered." (By reference only.)

Representative Yamashita rose to speak in support of the measure, stating:

ROUGH DRAFT

"Thank you, very much, Mr. Speaker. In support. And may I insert the words of the Representatives from Lahaina, and Kapolei as if they were my own. Thank you, Mr. Speaker.

"As I look at this issue, the ag tourism statute was put in place in my second year in office. In fact, it was my bill. It was to look at options for farmers to subsidize their farms. It also requires that the county shall further regulate. I look at this from a financial perspective. Every country, every state, every municipality, subsidizes agriculture in some way. Reduced property tax, subsidies, everything like that. And our local farmers are competing against cheaper labor, cheaper land, cheaper water. So the question is, how do we subsidize them? You know, are we going to do it with our taxes? Our tax dollars? Or are we going to give them options? And that's what this bill attempts to do. Thank you, very much."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2341, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO LAND USE," passed Final Reading by a vote of 30 ayes to 21 noes, with Representatives Belatti, Brower, Cabanilla, Giugni, Hanohano, Johanson, Kawakami, C. Lee, M. Lee, Luke, Morikawa, Nakashima, Nishimoto, Rhoads, Riviere, Saiki, Takai, Takumi, Thielen, Ward and Wooley voting no.

At 11:40 o'clock a.m., the Chair noted that the following bill passed Final Reading:

S.B. No. 2341, SD 2, HD 2, CD 1

At this time, the Chair addressed the Clerk, stating:

"We are now on page 2 of the Order of the Day. This is the Consent Calendar, 5a, Unfinished Business. Madame Clerk, are we able to proceed on?"

The Clerk responded, stating:

"Yes, Mr. Speaker. This next component consists of non-appropriation bills on the Consent Calendar."

CONSENT CALENDAR

UNFINISHED BUSINESS

The Chair then announced:

"Members, at this time, there will be no discussion as these items have been agreed upon by this Body for placement on the Consent Calendar."

Conf. Com. Rep. No. 124-12 and H.B. No. 2664, HD 1, SD 1, CD 1:

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2664, HD 1, SD 1, CD 1, pass Final Reading, seconded by Representative Evans.

Representative Keith-Agaran's written remarks are as follows:

"Thank you, Mr. Speaker. I strongly support this bill which facilitates further exploration of a public-private partnership between Maui Memorial Medical Center and Hale Makua Health Services. We, on the Valley Isle, hope that this partnership will model a public-private system of collaborative health care delivery.

"Tough economic times have led to changes in policies or regulations, and efforts of health care providers to maintain an efficient quality of care have been strained. Due to the rapid increase in Maui's population density, the healthcare infrastructure is unable to keep up. Maui's elderly population is also on the rise as retirees are re-locating or returning home to Maui from other islands or the mainland. As a result, access to health care remains a central problem on Maui that will continue unless measures are put in place to address these concerns. As you know, Mr. Speaker, the

only acute care hospitals on Maui cannot accommodate the demand for what should be acute care beds resulting in patients, shifted to long-term care bed waiting lists.

"This public-private partnership will encourage more efficient operations of hospitals and delivery of health care. Hawaii's elderly population is growing and will continue to do so as the baby boomers enter their elder years."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2664, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH CARE COORDINATION," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 126-12 and S.B. No. 2739, SD 2, HD 1, CD 1:

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2739, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE SMALL BUSINESS REGULATORY REVIEW BOARD," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 147-12 and H.B. No. 1726, HD 1, SD 2, CD 1:

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1726, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ENERGY," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 149-12 and H.B. No. 2540, HD 2, SD 1, CD 1:

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2540, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO FEES FOR CHILD CARE LICENSING AND REGISTRATION," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 150-12 and H.B. No. 2448, HD 2, SD 2, CD 1:

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2448, HD 2, SD 2, CD 1, pass Final Reading, seconded by Representative Evans.

Representative Keith-Agaran's written remarks are as follows:

"Thank you, Mr. Speaker. I stand in support of this measure which establishes a formula for calculating the amount to be contributed by the State towards a Medicaid recipient's attorney's fees and costs incurred in obtaining a judgment, settlement, or award, in lieu of recovering the full amount.

"Medicaid provides vital health care to many people in Hawaii. To husband the State's resources, the State's contribution to Medicaid is supposed to be a last resort, paid after other responsible parties have paid for medical treatment. Therefore the State is entitled to recover money from a third party, when that third party is financially responsible for the injuries treated by Medicaid. However, a US Supreme Court decision has complicated the process for obtaining reimbursement from these responsible third parties. Hawaii needs to have a formula for the allocation and distribution of proceeds when a lawsuit is resolved against such a responsible third party, which this measure establishes.

"Among other things, this measure: (1) Clarifies that a notice of lien sent by the Department of Human Services for reimbursement of Medicaid benefits shall be accompanied by an itemized list of payments made by the Department; (2) Caps the amount of the department's lien at one-third of the settlement, judgment, or award, after its contribution for attorney's fees and expenses; (3) Defines the term "medical institution"; and (4) Requires the Department of Human Services to provide a written notice of lien to the court when restitution is sought from a third person in a criminal proceeding.

"This bill also authorizes the Department of Human Services to develop fair and equitable reimbursement levels for nursing facility residents who are Medicaid recipients.

"This measure will provide greater clarity and certainty to the courts, the Office of the Attorney General, lawyers who pursue personal injury claims and injured Medicaid recipients."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2448, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO MEDICAID," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 151-12 and H.B. No. 2415, HD 2, SD 1, CD 1:

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2415, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO MEDICAID," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 157-12 and S.B. No. 2780, SD 1, HD 2, CD 1:

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2780, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 159-12 and S.B. No. 2827, SD 1, HD 1, CD 1:

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2827, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE TRAUMA SYSTEM SPECIAL FUND," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 172-12 and H.B. No. 2599, HD 1, SD 1, CD 1:

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2599, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO REENTRY INTAKE SERVICE CENTERS," passed Final Reading by a vote of 51 ayes.

At 11:42 o'clock a.m., the Chair noted that the following bills passed Final Reading:

H.B. No. 2664, HD 1, SD 1, CD 1
S.B. No. 2739, SD 2, HD 1, CD 1
H.B. No. 1726, HD 1, SD 2, CD 1
H.B. No. 2540, HD 2, SD 1, CD 1
H.B. No. 2448, HD 2, SD 2, CD 1
H.B. No. 2415, HD 2, SD 1, CD 1
S.B. No. 2780, SD 1, HD 2, CD 1
S.B. No. 2827, SD 1, HD 1, CD 1
H.B. No. 2599, HD 1, SD 1, CD 1

ORDINARY CALENDAR

UNFINISHED BUSINESS

S.B. No. 2873, SD 1, HD 3, CD 2:

Representative Chong moved that S.B. No. 2873, SD 1, HD 3, CD 2, pass Final Reading, seconded by Representative Evans.

At this time, the Chair addressed the Clerk, stating:

"Madame Clerk, are we able to make the time, as far as the 48 hours?"

The Clerk responded, stating:

"Yes, Mr. Speaker. Floor Amendment No. 8 was passed on May 1st, 2012, at 10:18 a.m."

Representative Riviere rose to speak in opposition to the measure, stating:

"On S.B. 2873, in opposition. Thank you, Mr. Speaker. This Session has been, as we well know, has been marked by many, many bills to exempt or repeal or limit environmental reviews. This is one of the few that's remaining. I'm thankful that most of the others have gone by the wayside. This bill would exempt secondary actions from environmental review. I believe it's a bad idea for the simple reason that sometimes the secondary actions can cumulatively be even greater than the primary actions.

"So, while the argument is that maybe there's a driveway, or there's something insignificant along the way that doesn't have much likely impact, and therefore we should just exempt it. I stand by what I said all year, which is that somebody has to take a look at the potential impacts, and if the potential impacts are likely to have no significant effect, then they can be exempted. So for that simple reason, I'll keep it brief. Thank you."

Representative Johanson rose in support of the measure with reservations and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Johanson's written remarks are as follows:

"Mr. Speaker, I rise in support with reservations on SB 2873. The exemptions outlined in this measure were utilized successfully by previous Administrations. In those cases, I believe the authority was exercised appropriately. I am leery of exemptions in general and I am still concerned about the impact this could potentially have on the quality of life on our community and constituents, because secondary impacts can sometimes be more detrimental than primary impacts to the environment and the community. However, because this kind of exemption has been used effectively in the past, I am willing to support this measure. I would also like to note that the Office of Environmental Quality Control testified in support of this measure, which further persuades my willingness to support this measure with reservations."

Representative Fontaine rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Thielen rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. In opposition. Thank you, Mr. Speaker. It's been described that what this bill is doing, which is to exempt secondary actions by statute. The practice of approving statutory exemptions to Chapter 343 is bad policy. It's frankly bad policy, and it seems to be that the Department of Transportation is the poster child for coming to the Legislature to ask us to pass these statutory exemptions, because it's failing to do its work where it should go to the Environmental Council, and ask for an exemption.

"The Environmental Council has an exemption list, Mr. Speaker. I served on that body a number of years ago, and the exemption list was always a work in progress, moving as the different departments saw a different action that they might be taking, that would actually qualify to be on the exemption list. The Department of Transportation, frankly hasn't used that process as it should have and they instead come to what they consider a favorable Body, the Legislature, to say, 'Exempt us by statute from these different activities.'

"Well this bill exempts them from roadway improvements; page 2, lines 6 and 7. The environmental laws are not what is holding up the building process. So, removing them will not significantly impact job-creation, and it's I think, pretty clear that an alarming number of these measures have come through this Body, where people are just, Legislators are just saying, 'Fine, we want to streamline everything. Get construction moving. It's the environment that's holding everything up'. Well, it's not correct. The environment is not holding up projects.

"There's a report called the Economic Impact of Environmental Regulation, by Stephen M. Meyer, professor in political science at MIT. He answered the question, Do states with stronger environmental policies pay a price in job growth? And if so, how much? After an analysis, he noted the odds that environmentalism could be negatively associated with job losses at the state level are extremely poor, slightly more than 1 to 31. We can safely reject the notion that state environmentalism resulted in economically meaningful job losses.

"If you want to talk about job losses, Mr. Speaker, talk about Act 105, which has hit the construction industry, not for State projects, but the other residential and commercial industry, and has just really had a terrible economic impact on them. Not environmental laws, but an Act this Body passed, which just slowed down the private sector construction jobs significantly. The Act is supposed to expire in 2013, and I hope for goodness sake that this is one of those laws that we will allow it to expire, because the tax money that it's brought in has been minimal, and the economic damage it's done has been amazingly large.

"You stop and look at why would someone go ahead with a project now, with that added tax burden? Why not wait till 2013? And that's evidently what the property owners are doing. They're just delaying the projects because of the added costs we imposed upon them.

"I'll go back to the poster child, Department of Transportation. The Department of Transportation requested exemptions for 11 bridge projects, and at least 8 of those have had appropriations since at least the early to mid-2000's."

Representative Souki rose to a point of order, stating:

"Point of order. Are we speaking on SB 2873?"

Representative Thielen: "We're speaking on the exemptions which apply to the Department of Transportation."

Representative Souki: "Yes, but there's nothing about the bridges here. SB 2873 merely is secondary impacts, secondary work on the highways. Bridges are not secondary work. So what my good friend across the aisle is speaking on is not germane to the bill."

Representative Thielen: "I'll go on with why it is germane to the bill. The Department of Transportation is the poster child for wanting us to pass S.B. 2873. It wants to be exempted, and yet, they have not followed up with projects that they have had in the works."

Representative Pine rose to yield her time, and the Chair "so ordered."

Representative Thielen continued, stating:

"Thank you. They have not followed up with projects that they have had in the works. DOT hasn't submitted a draft Environmental Assessment for at least two bridge projects. They also submitted a draft EA without even bothering to follow up with a final EA for two projects."

The Chair addressed Representative Thielen, stating:

"Representative Thielen, Representative Thielen, can you confine your remarks to the bill that is before you."

Representative Thielen continued, stating:

"I will talk about the bill before us. There's a statement that I want to make, that exemptions and statutory exemptions cannot change Administrative bungling, and these exemptions will not lead to job creation. We should not be establishing policy in here by doing a knee jerk reaction to DOT and say, 'We'll do your work for you.' OEQC has said they have no waiting list. They can process these applications for exemptions. DOT has not stepped forward to do the work it should have done."

Representative Souki rose to a point of order, stating:

"Mr. Speaker, again a point of order. The speaker is speaking on exemptions. She should remain on this bill here, which has to do with secondary work on particular projects. Only on secondary work, and not on exemptions."

Speaker Say: "Correct. Representative Thielen, that's why could you please ..."

Representative Thielen: "And I'll go right to him, Mr. Speaker. And the Chair of the Transportation Committee should know, that this bill, this Senate Bill is not necessary if the DOT used the exemption process. It doesn't need to have us set policy. It doesn't need to have us set law to do what they themselves should be doing through the exemption list. There is no waitlist for them. DOT has bungled this and we're now being asked to step in and help them. It's bad policy, Mr. Speaker. I'm firmly against the measure."

Representative Souki rose to speak in support of the measure, stating:

"Thank you very much, Mr. Speaker and Members. Again, this bill, SB 2873, is for secondary work done on highways, and that includes work like sewage, water and etc., that is being done adjacent to the highway cables. I want Members to understand that in working even with the Senate, the Senators agreed to this language. This language basically just merely clarifies the role of what is secondary. It's not seeking an exemption. It's merely clarifying the language in the bill so that we can understand a little bit better. Obviously, some people didn't read the bill very well, and we have this major debate here. Thank you, very much."

Representative Ward rose to speak in opposition to the measure, stating:

"Mr. Speaker, in opposition with written comments, please. With a couple of footnotes. Mr. Speaker, I appreciate the passion of the Speaker Emeritus in defending the integrity of the Department of Transportation, because this does impact them directly. And as the Chair of Transportation, he has a right to defend. However, in making this exemption permanent, he has to be able to defend, what otherwise two quotations. First from the Sierra Club that said in the House Committee under which the Chair has jurisdiction, 'There is no logical basis for DOT's inability to determine whether a traffic connection or the like would impact the environment based on the cumulative impact, or the unusual nature of the specific application.'

"Fast forward to the OEQC's website. The DOT is up there with their list of exemptions, but Mr. Speaker, they have not updated their website since November 15, 2000. So, I think it's great to defend the Department of Transportation, but it looks like somebody's homework hasn't been done, and that's why some of us are fearful of this Thank you."

Representative Ward's written remarks are as follows:

"Thank you, Mr. Speaker. At this time, I rise in opposition to this measure. This is an action that is attempting to make permanent the secondary action law. Originally, the current secondary action law, Act 87 of 2009, had a sunset date of July 1, 2011, which was extended to July 1, 2013 by Act 45 of 2011. This was intended to be a temporary exemption.

"After consulting with my two colleagues from the North Shore and from Kailua, I have concluded that it is unwise to make such a law permanent. One of the bill's supporters is the DOT. They have testified that this bill is necessary because they believe it will prevent unnecessary delays.

"However, I note the Sierra Club's testimony, submitted to the House Committee on Transportation: 'There is no logical basis for DOT's inability to determine whether a traffic connection or the like would impact the environment based on the cumulative impact or the unusual nature of the specific application.'"

"The Sierra Club urged the Committee to 'hold this bill and not continue this odd exemption based on agency incompetence.' And we note that the DOT does not need this exemption to be permanent. Statutory environmental impact statement law already provides for exemptions.

"HRS Section 343-6(a)(2) grants the Environmental Council authority to make rules that establish procedures where specific types of actions are declared exempt from the preparation of an environmental assessment if such actions will probably have minimal or no significant effects on the environment.

"The Office of Environmental Quality Control's Exemption list for DOT is up there on OEQC's website. The exemption list hasn't been updated since November 15, 2000.

"Administrative Rules specifically allow agencies, like the DOT, to submit updates of their exemption lists to the Environmental Council for review and concurrence. See *Hawaii Administrative Rule, 11-200-8 (Exempt Classes of Action)*.

"Rather than trying to make permanent a broad exemption, perhaps the DOT should put its efforts into updating its exemption list.

"I appreciate the opportunity to express my concerns and to voice my opposition to this measure. Thank you, Mr. Speaker."

Representative Ichiyama rose in support of the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Ichiyama's written remarks are as follows:

"Thank you, Mr. Speaker. I rise in support.

"I would like to clarify some of the points made about this bill, in particular the claim that we are exempting projects from the Environmental Assessment and Environmental Impact Statement process. This is untrue. Under section one of the bill, it states that an applicant must complete an EA or EIS for a project, the primary action. An applicant must follow all of the steps and procedures of Chapter 343. If and only if a secondary action, one that is ancillary to the primary action and touches an existing right of way or highway, is involved, then the applicant is not required to complete a new and separate EA or EIS for that minor secondary action.

"Furthermore, this section of the bill is current law. The Legislature, in its wisdom, enacted Act 87 in 2009 which provided that an applicant would not need to complete an EA or EIS for a secondary action in a right of way. We extended the sunset of this law last Session in Act 45 and now we are making it permanent. I would note that in the three years that this law has been on the books that none of the projects with a secondary action have "subverted" any of the environmental protections in our State or caused any actual harm.

"This bill merely makes permanent a law that helps us to clarify and remove unnecessary duplication and delay in our EA and EIS processes. Thank you very much, Mr. Speaker."

Representative Ching rose in opposition to the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Ching's written remarks are as follows:

"Mr. Speaker, I rise in opposition of S.B. 2873, relating to environmental impact statements.

"The purpose of this bill is to make permanent the exemptions for certain secondary actions from Environmental Impact Statements law (EIS). The Conference Draft before us states that a "secondary action" shall be exempt from HRS Chapter 343, if the action falls under an outlined criteria. These "secondary actions" are identified as an action on infrastructure within the highway or public right-of-way. Mr. Speaker, the EIS was put into place to protect our great state, and ensure the appropriate protocol is in place when it comes to building our infrastructure. Exempting particular projects from this law [EIS] would compromise the preservation of our State and promote leniency to the regulations.

"May I echo the words provided by the Sierra Club during their testimony of this measure when they stated, "This bill continues a statutory

exemption from the environmental review process because of the Department of Transportation's inability to follow the law like other agencies, developers, or the public. The Department of Transportation openly acknowledges its projects are one of the largest causes of invasive species throughout Hawai'i. Accordingly, DOT should be held to a higher standard for the environment, not a lower one."

"Mr. Speaker, the statement provided by the Sierra Club could not be more accurate. Though I encourage the strengthening of our infrastructure, I am disenchanted by the easement of standards required to be met by the DOT. We must identify the DOT as a role model to other organizations, as they help lay the ground work for us to build upon. If we do not hold them to the same standards as the rest, how will be able to effectively enforce the EIS law? Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and S.B. No. 2873, SD 1, HD 3, CD 2, entitled: "A BILL FOR AN ACT RELATING TO ENVIRONMENTAL IMPACT STATEMENTS," passed Final Reading by a vote of 46 ayes to 5 noes, with Representatives Ching, Hanohano, Riviere, Thielen and Ward voting no.

Conf. Com. Rep. No. 107-12 and S.B. No. 1269, SD 2, HD 2, CD 1:

Representative Chong moved that the report of the Committee be adopted, and that S.B. No. 1269, SD 2, HD 2, CD 1, pass Final Reading, seconded by Representative Evans.

Representative Morikawa rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. In opposition. I understand the fiscal implications of the unfunded liability of the retirement system, but remember, ten years ago, the State skimmed more than \$346 million from the Fund. That was when the system was thriving, and their investments were doing well. Unfortunately, with the recession, inadequate funding by the State and county governments, and poor investments made by the ERS, legislation such as this is introduced.

"Now, I would like to go back in time when I first became a public employee. Government employment was the most secure position a person could get. The pay wasn't that great. I was paid \$1.80 an hour as a summer employee. Then when I got the chance to become a regular permanent employee, I made a whopping \$690 per month with all the benefits of vacation, sick leave, medical, life insurance, and a great retirement. The benefits helped assure me, that I could spend quality time with my children when they had special activities or when they were sick. I knew that they would be okay with the insurance and retirement that my employment provided, so I loved my job.

"Now, these benefits are being reduced or taken away. Is the public employee to blame for the State or counties' budget woes? What makes government employment attractive today? Oh yes, if you get an administrative position you're just fine, but what about the laborers, the clerks, the park caretakers, janitors, the ones that make the very smallest of salaries? These employees need to seek other employment to survive the high cost of living in Hawaii. They work two or three jobs, which take away from other people needing employment. They don't get to spend time with their children, to help them with their homework, get involved with school activities, or see them play sports, or even volunteer to be coaches or team moms. Their health becomes an issue, which in turn adds to the high costs of medical services.

"The upside for the other employer is that they don't need to pay benefits to these government employees, just hourly wages. Unless of course, they provide better benefits to employees. Then, wait a minute. These employees may be seeking other employment for the better benefits.

"Well paid, healthy and happy public employees add to the economy. They spend money that helps small business thrive. They buy houses. They travel. They eat in restaurants. And more importantly, they donate to nonprofit organizations. We need to stop attacking public employee benefits. And let me remind you, these employees are teachers, police officers, firefighters, nurses, health inspectors, social workers and every

single county and State employee who performs services that protect the public's health and safety. These are services that any private entity cannot provide because there is no profit to be made. These are services that provide the safety net to society. The benefit package, which includes a secure retirement, is an incentive to attract and retain a good work force. Thank you, Mr. Speaker."

Representative C. Lee rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. I rise in opposition. Thank you, I absolutely agree with the intent of this measure. There's no question. We cannot allow people to abuse the system and unfairly spike their retirement benefits. And we must address, absolutely, the unfunded liability in the ERS. However, this bill unfortunately, does nothing to address the current problem of spiking abuses for existing employees. And by applying to only new hires prospectively, it will place the burden of funding the gap in the ERS on the shoulders of our next generation of public employees, many of whom would be legitimately forced to work long hours and put their lives on the line without fair compensation.

"Unfortunately, a handful of abusers created this problem. About one in ten people recently retiring from public service were found to be spiking and taking advantage of the system. This is absolutely unacceptable. But we cannot, in a broad stroke, eliminate fair compensation for the thousands of employees who work long hours or in dangerous conditions to pay for the abuses of the handful of people.

"Police officers are often forced to provide Presidential security, support for events like APEC, and work long hours in unexpected situations. The Department of Labor and Industrial Relations notes that in addition to normal services, firefighters also work in conditions involving overtime, standby duty, unusual work hazards, and temporary differentials. These conditions are as much a part of the work performed as the normal work. Services performed by firefighters under dangerous conditions, often involve prolonged hazardous exposures, higher levels of danger, or increased emergency responsibilities. When firefighters perform these functions, they are giving their full service to the community at required levels. For that reason, pay for these conditions should continue to be included in calculations for retirement benefits.

"In public safety, health and education facilities around the State, we ask employees to forego time with their families to work long hours. By contract, although employees can refuse to work overtime, it is the employer who decides if a refusal to work is for good cause and whether or not the employee will be disciplined for their refusal. For many employees, working overtime is often not a choice. We absolutely must prevent abusive spiking and address the bad apples taking advantage of the system. But we must also ensure that other employees are compensated fairly when asked to work, both in their immediate overtime pay, and in retirement benefit calculations that accurately and fairly reflect the employee's work.

"Mr. Speaker, we talk a lot about fiscal responsibility, and we must address our unfunded liabilities. However, we cannot fill the gap in the future ERS liability simply by cutting earned benefits to our next generation of employees, especially when it was the Legislature that helped create the unfunded liability in the first place by siphoning hundreds of millions of dollars out of the ERS. The Hawaii Supreme Court found in 2007 that despite positive earnings, the ERS actuarial funded ratio declined primarily as a result of the past diversions of excess investment earnings, which prevented the ERS from establishing the Rainy Day Fund for the years of poor investment earnings. Therefore, it is plain, clear, manifest, and unmistakable that the hundreds of millions of dollars of reductions in employer contributions unconstitutionally impaired the pension system. In other words, Mr. Speaker, the Legislature's diversion of hundreds of millions of dollars out of the ERS, and to replenish a similar sum, we are now asking future public employees to pay for it by surrendering their legitimate benefits and compensation.

"Public employees already tend to earn less than their private sector counterparts and cutting benefits will only exacerbate the problem of attracting and retaining good employees. This bill will also create two tiers

of employees working side by side, doing the exact same job. One employee asked to work overtime, whose retirement benefits will count for it, and another employee doing the exact same job, but whose retirement benefits will not reflect the extra hours of work the employee had to do. Mr. Speaker, at a time when states across the nation are cutting services and public employees find themselves the target of vicious political attacks, this bill really drives at the heart of what role we expect our public employees to play, and what value we place upon them.

"The general public in Hawaii still places incredibly high social value on our educators, police, firefighters, and so many other dedicated public servants. At the Legislature, we talk so often about what incredible things they often accomplish, and what an important role they play. Let's deal with the abusers, but let's put our money where our mouth is, and support fair compensation for employees who legitimately earn it. Let's not eliminate the hard earned benefits for our next generation of public employees, in reaction to the abuses of a handful or retirees, which this bill doesn't even address. Instead, let's spend a little more time crafting a real solution that prevents abuse, and addresses our unfunded liability without unfairly stripping away the legitimate retirement compensation of many public servants who were given no choice but to work long hours and who often put their lives on the line to protect us.

"There is a fair compromise, Mr. Speaker. I think we just need a little more time to find it. Thank you."

Representative Chong rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. In support. This is a bill that affects new employees going forward, and changes the calculation of someone's retirement when they reach the age in which they retire. So I'd just like to cover, some of the remarks that have been mentioned by prior speakers.

"First, the issue of overtime and fair pay. It was funny. I was talking to a leader in a private sector union about a year ago, and we were discussing this issue and many other issues. And they were comparing private and public sector employees. He brought up an interesting point on overtime, in that overtime is paid as a benefit because you worked 40 hours in that week, because we've defined that 40 hours is a good balance between that and you being able to tend to your family and other personal matters. And that if we're going to ask you work more than 40 hours a week, we are going to give you a differential, say 1 1/2 times in some cases. Public employees, I think get double time, in very certain situations.

"And the comment was, that's where you get your benefit. What does that have to do with you getting a benefit 25 years later? You're not working overtime 25 years later. So why should that be part of the calculation? You're getting the benefit in the present day for working overtime.

"It was funny. They also went on to the issue of vacation which is for a given year. Why would you get to carry it over because it's meant for a year? But anyway, be that as it may.

"Second is, and I'm not going to pooh-pooh or question prior Legislatures for what they did or didn't do. I was not here. I was not here to address the shortfall, and make the difficult decisions that we have to do every day. If other people want to, that's fine. But actually, I don't find that very fair. It's easy. We could go into the whole issue of if the Legislature had not done that to balance the budget. What were the other options for public workers? Layoffs? And for those who are our present-day senior Members, they probably would have been junior Members 28 years ago when the Legislature did that. Would they have done well in a RIF?

"Thirdly is the issue of two tracks. We have many two track systems right now. Presently, the EUTF, if you start it before July 1st 1996, if you have 10 years of service you received a benefit. Now, I think you only get half the benefit. Why? Because the Legislature saw fringe costs going past 40%. So if a government employee \$30,000, 40% or \$12,000 would go to fringe costs, of which health care was the quickest growing.

"I haven't seen any bills introduced by Members to line up everybody. So for those reasons, I ask the Members to support the bill. Thank you."

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Representative Johanson rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. I rise with reservations. I would like to preface my reservations with starting off by saying that I too also believe that we need to ensure the fiscal solvency of the Employees' Retirement System. And unequivocally, I'd like to say that we should not countenance overt abuse and abuse that is willful and intentional, because that is robbing the taxpayer of what they're giving to the government.

"My concerns though, are predicated on two main issues. The first issue is that while the employee, and the Majority Leader just addressed this, while the employee is compensated for their overtime and some of the things that would be excluded under this bill, when it comes to calculating their retirement benefits, they will not actually be compensated for their actual work, worked. I think therein lies the slight nuance, which is how we presently do it. I realize that that engenders some problems, but I think in attempting to preempt bad actors who are guilty of spiking, which we do need to find some measure to do, we're also potentially adversely impacting the retirement of those honest workers who are obligated sometimes under certain conditions because they are emergency personnel, or because there isn't someone else, to work those hours and to do that work. And I worry that therein lies some complications.

"Secondly, and this point has not been brought up, and I did want to bring this up as part of the debate. I do believe it's fully within management's abilities and prerogatives, if they so chose, to try to successfully settle this problem themselves. They control scheduling as part of their prerogatives with management, and in so doing, I think you can start to watch for when people might be approaching retirement and when all of a sudden they go from never seeking to work overtime, to always asking for overtime. I think the onus here is also somewhat on the Executive Branch.

"I do appreciate the intent of the Legislative Branch to try to address this problem, which is why I will be voting with reservations, but I don't think that, in terms of achieving a workable solution and actually reducing spiking in the present, that we may end up achieving it with this particular measure. Thank you."

Representative Evans rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. In strong support. The bill states that it's for a member who becomes a member after June 30, 2012. I think that we as a Legislature have that authority to decide certain employment terms. This employment issue of are we going to add overtime or not to retirement, as part of what the package will be. If this bill passes, anybody who comes to State government will have to look at the entire employment package. They'll have to consider how many State paid holidays there are. They're going to have to consider what vacation leave is. They're going to have to consider what their medical benefits are. They're going to have to look at how many years before they're vested. They're going to have to weigh what the pay is.

"I would argue if we had time to debate it, that in fact a lot of State employees make more money than the private sector, with this recession that's happened. We've heard from all these private sector employees, all their benefits have been cut back. Their pay has been reduced. To say that public employees make less money than private sector, I would really love to debate that, because that's not what I've heard.

"So I think what we're saying is, in the future if you come and you want to be an employee, these are the conditions, and put it out in the marketplace. It's democracy. It's the right for people to choose who they want to work for. I think if you look at overall what we offer employees and their opportunities for training and advancement, lots of wonderful opportunities to move around in State government, to have a fabulous career. I had one, for thirteen years. I loved working in the State government. And I love working in the Legislature. But it's a choice. And I think this is very reasonable, and I strongly support it. Thank you, Mr. Speaker."

Representative Souki rose to speak in opposition to the measure, stating:

"Mr. Speaker and Members, in reviewing this bill, there is one particular section that I'm not in favor of, so therefore, I was going to be voting in favor, but I'm going to have to vote no. The reason is for the fact that you are taking away flexibility from supervisors and management in working with the employees. There are times when you need to provide differentials, bonuses, to provide merit raises and increases. Hazard pay to wastewater people. Working in the wastewater, that's quite hazardous there. Police hazard pay. Firefighters hazard pay. It is dependent upon the extent of the hazard, and they should have some consideration in there.

"Basically I'm opposed to the spiking. But this bill does not address the spiking. It addresses what you can get and what you cannot get. And I think it's too broad, I would like this bill to go back and to work on it again. I think we made some oversights in this bill, and we should not take away flexibility from management when they work with the employees. And in fact what you're doing is you're making it standardized all the way. You can't do that. And for that I must vote against this measure.

"Hopefully if we're not going to work on it next year, next year we have to relook at this issue again, and rectify what I think are some of the problems with this measure. Thank you, very much."

Representative Ichiyama rose in support of the measure with reservations and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Ichiyama's written remarks are as follows:

"Thank you, Mr. Speaker. I rise with reservations. SB 1269 would eliminate overtime, supplementary payments, bonuses, lump sum salary supplements, allowances or differentials from being included in pension calculations for any employee hired after June 30, 2012. I understand the importance of addressing the State's unfunded pension liability and the problem that overtime abuse creates for our ERS system. However, I have serious concerns about how this bill may affect potential recruiting of future State and City employees. Our retirement benefits package is one of the few incentives we have to attract quality employees. By decreasing these benefits, we will be making it even harder to fill vacancies and meet the needs of our residents.

"I know we are all aware of the seriousness of the unfunded actuarial accrued liability in our ERS system and the need for corrective measures, which is why I am voting with reservations. At the same time, I believe this bill goes too far in redefining compensation and it would have been more prudent to consider the method proposed by the ERS Board to address the issue of pension spiking. Thank you very much, Mr. Speaker."

Representative Cabanilla rose to speak in support of the measure, stating:

"In support, Mr. Speaker, and I just would like to make a comment that as I understand it, the State's liability to retired State employees is about \$3 billion a year. \$3 billion a year, Mr. Speaker, is a lot of money. And I understand our budget this year is \$11 billion, and \$3 billion of that is going to go just to pay retired public employees. And I could say that out loud, Mr. Speaker, because this bill doesn't affect the employees that are coming until June 2012.

"As previous speakers have said, people have a choice where they work. So therefore, that should be in the package, and that should be a decision that they make. Thank you, Mr. Speaker."

Representative Wooley rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Luke rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. Briefly in opposition. We talk about the issue of spiking. A lot of times, employees have no choice to do overtime. Management has to agree for an employee to work overtime, and so this bill does not address the issue of management control and why are the management and agencies allowing overtime abuse if there is spiking.

ROUGH DRAFT

"The other thing that I wanted to point out is, especially when you deal with police, fire, public safety officers, a lot of times they are forced to do overtime. We have situations in the prison system where they would have to do double shifts, or in addition to the 8 hours they have to do a lot of shifts. So from a management standpoint, we can pretty much say, that we don't want to hire people, and then have this one individual do two shifts. So in that sense we're kind of saving money at the expense of the employees. It's kind of an unfair system that we're creating. Thank you."

Representative McKelvey rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. In support with some reservations. They were summed up by the good Representatives from Nuuanu and from Wailuku, and of course I kind of sat back and reflected a little bit. It's too bad that in the past, previous Administrations have blown so much money on student auction rate securities, or we probably wouldn't have to face this.

"But be that as it may, Mr. Speaker, there were a lot of options that this Body tried to push to reign this in, that unfortunately were left on the table this Session. And because of that, we are facing a situation that I think was summed up very well by my Vice Chair, which is, if we don't get a handle on this ERS thing in some form, the system going go broke. Nobody will get any pensions.

"And I think what this measure tries to do, is although it does have warts on it as I'll admit. What it tries to do is to preserve the benefits of our current retirees by looking forward as a way to try to make up the short gap. And that's why I do support it with reservations, because at the end of the day, it's trying to take an approach, unlike other states. States that aren't red in nature are doing that, which is looking at reigning in current benefits to current retirees.

"So again Mr. Speaker, I agree with the comments that were raised by the other speakers, but given the cards that we've been dealt so far, and given this \$3 billion and growing unfunded liability, I think this is a measure that we do need to look at further. Thank you, very much."

Representative Ward rose to speak in support of the measure with reservations, stating:

"Mr. Speaker, with reservations. And a correction to the record, Mr. Speaker. There was no money lost by the auction rate securities. Full stop."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1269, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE DEFINITION OF COMPENSATION FOR PURPOSES OF THE EMPLOYEES' RETIREMENT SYSTEM," passed Final Reading by a vote of 37 ayes to 14 noes, with Representatives Aquino, Brower, Cullen, Hanohano, Kawakami, Keith-Agaran, C. Lee, Luke, Morikawa, Nakashima, Souki, Takai, Takumi and Yamane voting no.

Conf. Com. Rep. No. 108-12 and S.B. No. 2214, SD 2, HD 2, CD 1:

Representative Chong moved that the report of the Committee be adopted, and that S.B. No. 2214, SD 2, HD 2, CD 1, pass Final Reading, seconded by Representative Evans.

Representative Marumoto rose in support of the measure with reservations and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Marumoto's written remarks are as follows:

"Mr. Speaker, I rise with reservations to raise a cautionary note regarding SB 2214, a bill that gives away the employers' responsibility to determine how much the State and counties should pay for employee health benefits. SB 2214 gives the purse strings to faceless, unelected arbitrators. Because of the institution of "most favored-nation" provision in collective bargaining contracts, some decisions should be under the purview of management rights.

"Under current law the State and counties as employers and the union negotiate through collective bargaining, the share that the employers should pay and the share employees should pay into the Employees Union Trust Fund (EUTF) – the fund that pays for the health benefits of our 70,000 retired and active government workers. The Legislature, knowing the fiscal condition of the State, can then fund the contract or not. The Legislature maintains control of the costs and can ensure that the \$11 billion unfunded liability does not increase.

"When negotiators cannot agree SB 2214 provides a mechanism to determine the premium ratio. This measure may also prevent the employer from unilaterally increasing or decreasing its share as done by the Governor in 2011 when he announced he would increase the employer's share to 60%. It is always preferable that these important decisions be negotiated through collective bargaining.

"Under SB 2214, when there is an impasse, the negotiators then revert to arbitration. But there is a downside to arbitration and this bill. SB 2214 gives away the purse strings to faceless, unelected arbitrators. Handing over decision-making could create a more beneficial ratio for one unit. In the face of "most favored-nation" clauses in CB agreements, it would be more fiscally-responsible for the employers to set a uniform ratio in order to safeguard the integrity of the trust fund.

"That may be why the Director of Budget and Finance testified against the bill, the City and County of Honolulu opposed the bill, and the Attorney General's office also raised serious concerns about this measure.

"As elected officials we have a duty to do what is right and responsible for our citizens and for State agencies and county workers, not to mention our retirees."

Representative Ching rose in support of the measure with reservations and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Ching's written remarks are as follows:

"Mr. Speaker, I rise with reservations on SB 2214, a bill that eliminates one of the changes the Legislature has to control how much the State pays for employee health benefits.

"This bill deletes the Legislature's ability to determine how much the State should pay for the employer's share of EUTF contributions and turns the decision over to an arbitration panel. This means the Legislature will be faced with simply deciding whether to fund or not fund the arbitrator's decision.

"The Legislature knows the fiscal condition of our State. That is why the current law gives us the responsibility to determine the EUTF contribution when negotiations break down. We should not shirk from this responsibility.

"Mr. Speaker, I am worried about the financial viability of our health care system—a system that is already \$11 billion in debt. SB 2214 will only make us more vulnerable to increased unfunded liabilities in the health fund. This is not good for the employees of our state government and for the taxpayers of Hawaii.

"That is why I am voting with reservations on this bill and I urge my colleagues in the House to do likewise."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2214, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO COLLECTIVE BARGAINING," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 109-12 and S.B. No. 2576, SD 1, HD 3, CD 1:

Representative Chong moved that the report of the Committee be adopted, and that S.B. No. 2576, SD 1, HD 3, CD 1, pass Final Reading, seconded by Representative Evans.

Representative Mizuno rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. I rise in support of this measure. Thank you. Mr. Speaker. Today the House of Representatives will have the opportunity to pass Senate Bill 2576, and become the 6th state in the nation to have such progressive legislation on human trafficking.

"Mr. Speaker, I'm going to provide my Floor speech. Everything I say will be germane to this bill, but I think I'm going to change up the format. I'm going to kind of answer some of the concerns that were brought up to our attention by some of the Members, even the concerns by the Attorney General and the prosecutors, because they had the final word. They helped us to craft the language on this measure. I think if I do it that way, I only have to speak once, and that's it. There was some opposition the last time we heard this on the Floor.

"The first concern was Rule 40. Do we really need this mechanism if we already have Rule 40? Rule 40 is contained in the Hawaii Rules of the Penal Procedure. It's a catch-all mechanism, in case you're looking for post conviction relief. Many times we'll see this with ineffective counsel, lack of jurisdiction by the State on a subject matter or the person, or even a constitutional concern, a violation of the Constitution. Rule 40 is not crafted narrow enough for our victims of human trafficking, and that's why we have to move this measure, Mr. Speaker. So the first point, Rule 40, is not enough."

At 12:20 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 12:26 o'clock p.m., with Vice Speaker Manahan presiding.

Representative Mizuno continued, stating:

"Thank you, Mr. Speaker. I left off on Rule 40, and I explained why there was a need to pass this legislation, narrowly crafted for human trafficking victims.

"Mr. Speaker, I wanted to explain some of the concerns about the possible misuse or abuse of this proposed statute. We've heard questions from some of the Members that indicated that perhaps the pimps would be using this as a mechanism to vacate their conviction. I appreciate the concerns, and I'm here to say, no. Absolutely not. Clearly the language in the bill will not allow the pimps to use this mechanism to vacate a judgment or a conviction against them. This section does not apply to the following. Again, promoting prostitution, this is for the pimps, or a person who pays for sexual conduct. They will not be able to vacate their conviction.

"Mr. Speaker, the key for this bill, the key for this bill was that the prosecutors and the Attorney General's office provided the language, which would allow the prosecutors or the AGs, whichever body prosecuted that case in the first place, to review the motion and approve the motion. Again, this is pretty big, and it's probably going to be rare that we see this, maybe 1 out of 100 cases. But you're having the moving body, the prosecutor or the Attorney General's Office, that followed through with that conviction, to come back, to reconsider, to approve that motion, and then submit it to the judge.

"That's the game changer. That's why the prosecutors and the Attorney General's Office support this measure. In fact, Deputy Attorney General Lance Goto was the person that recommended this language, and the prosecutors were completely on board. This was again, the game changer for this bill. Prior to that, both the prosecutors and the Attorney General's Office had some concerns about this bill. After that they were fine.

"Mr. Speaker, some of our Members have asked, what is the definition? Who is a victim of human trafficking? And it's clearly stated, Mr. Speaker. We're following the guidance from the United States Code, and I'll quickly go over it. This is a person who is involved in commercial sex. They've been induced by either fraud, coercion, forced into this. It even applies to people who have not attained the age of 18, that were involved in such

acts. It's pretty black and white. We're not leaving this for incorrect review or for protecting pimps or people that pay for it. It's very clear who we're protecting here, Mr. Speaker.

"Next, Mr. Speaker, this is quite historic. I've mentioned that Hawaii would become the 6th state. We've had New York that passed it first, along with Illinois, Maryland, Nevada in 2011, Vermont 2012. We pass this, we'll be the 6th state.

"Finally, Mr. Speaker, I would be remiss if I did not thank the drafters of this measure, the people that actually helped to craft this. And I wanted to start off by thanking the Deputy Attorney General's office, Lance Goto and Joshua Wisch. They helped us with the language. Jon Karamatsu from the Prosecutor's Office, Kathy Xian from Pacific Alliance to Stop Slavery, James Dold - Polaris Project, Kris Coffield - IMUAlliance, the Senate Judiciary Chair and his Committee Clerk, my Committee Clerk, Dr. Bouffard, as well as Brandon Masuoka."

Representative Tsuji rose to yield his time, and the Chair "so ordered."

Representative Mizuno continued, stating:

"Mr. Speaker, I'm just about done. I believe I've pointed out to all the concerns that our Members had. I'm hoping to avert any 'no' or 'with reservation' votes. I'm hoping that I explained it quite well enough. Again, the rationale, the last thing I'm going to say about this. This is to help shattered lives. If we can take that conviction off, the people that are applying for jobs, applying for loans, trying to continue their education, they'll have a second shot at life. Their lives have been shattered because of this most horrific experience. This is what we want to do. This is how we care about our people. For those reasons, Mr. Speaker, I ask all Members to vote up on this measure. Thank you."

Representative M. Lee rose to speak in support of the measure, stating:

"Mr. Speaker, in support with written comments. I'd like to remind the previous speaker that this was a Women's Caucus measure."

Representative M. Lee's written remarks are as follows:

"Mr. Speaker, I rise in support of SB2576, SD1 HD3 CD1, which authorizes a person convicted of committing the offense of prostitution to file a motion to vacate the conviction under certain circumstances. Many women engage in acts of prostitution due to their vulnerability as a result of their youth, family situation and/or substance abuse. Those individuals who were forced into engaging in prostitution should be encouraged to leave the profession, and their ability to clear their record would help them further their educational and employment goals, as well as wipe their record clean. We need to allow these women the ability to move forward with a new beginning. For this reason, I urge the Members' support."

Representative Awana rose in support of the measure and asked that the remarks of Representative Mizuno be entered into the Journal as her own, and the Chair "so ordered." (By reference only.)

Representative Oshiro rose to speak in support of the measure, stating:

"Mr. Speaker, I rise in support. Likewise. I think the Chair did a great job in kicking this bill out of Conference. My only concern is that basically gives the Prosecuting Attorney's Office or the Attorney General's Office, the prosecuting authority, to become the gate keeper on whether or not a review ever takes place before a tribunal. But other than that, I think this is a good measure, and I thank him and the other drafters of this measure for getting this out this Session. Thank you."

Representative Ching rose to speak in support of the measure with reservations, stating:

"Thank you. Just reservations. I'm glad to see that the prosecutors have had their input, to make this better. We certainly don't want to have people have their lives ruined forever. Everyone should be allowed to, be encouraged to rehabilitate. But I just still have a few reservations on this. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2576, SD 1, HD 3, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PROSTITUTION," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 110-12 and S.B. No. 2378, SD 1, HD 1, CD 1:

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2378, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO LEGACY LANDS," passed Final Reading by a vote of 50 ayes to 1 no, with Representative Awana voting no.

Conf. Com. Rep. No. 127-12 and S.B. No. 2239, SD 1, HD 1, CD 1:

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2239, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ECONOMIC DEVELOPMENT," passed Final Reading by a vote of 51 ayes.

At 12:35 o'clock p.m., the Chair noted that the following bills passed Final Reading:

S.B. No. 2873, SD 1, HD 3, CD 2
S.B. No. 1269, SD 2, HD 2, CD 1
S.B. No. 2214, SD 2, HD 2, CD 1
S.B. No. 2576, SD 1, HD 3, CD 1
S.B. No. 2378, SD 1, HD 1, CD 1
S.B. No. 2239, SD 1, HD 1, CD 1

Conf. Com. Rep. No. 130-12 and H.B. No. 2515, HD 3, SD 2, CD 1:

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2515, HD 3, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CRIME," passed Final Reading by a vote of 49 ayes to 2 noes, with Representatives Hashem and Ichiyama voting no.

Conf. Com. Rep. No. 142-12 and H.B. No. 2251, SD 1, CD 1:

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2251, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ELECTIONS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 148-12 and H.B. No. 2302, HD 2, SD 1, CD 1:

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2302, HD 2, SD 1, CD 1, pass Final Reading, seconded by Representative Evans.

Representative Awana rose in support of the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Awana's written remarks are as follows:

"Mr. Speaker, I rise in support. Mr. Speaker, because of the high cost of housing in Hawaii, thousands of families are currently on the waiting list for public housing including thousands more who are living on the beach, and in emergency and transitional shelters. This measure attempts to expedite necessary improvements and repairs to existing public housing which will help many families in need of shelter. For this reason, I rise in support."

Representative Cabanilla rose in support of the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Cabanilla's written remarks are as follows:

"Mr. Speaker, I rise in support of this measure because of its many benefits for the people of our state.

"Mr. Speaker, there is an extensive waiting list for use of public housing. By allowing the HPHA this temporary – I emphasize temporary – exemption from state and county civil service procurement this bill will expedite and make more efficient the system to prepare units for those who need them.

"But the people who will get to use these homes aren't the only beneficiaries. It's going to take manpower to build and repair these units. That equates to more jobs, Mr. Speaker, another benefit of this bill.

"This bill will allow temporary staff augmentation should government workers not be available or lack the expertise to do the work. If government employees are unable, the unions can do it Mr. Speaker. I see nothing wrong with that Mr. Speaker. They are God's people too."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2302, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CAPITAL IMPROVEMENT PROJECTS," passed Final Reading by a vote of 43 ayes to 8 noes, with Representatives Belatti, C. Lee, Luke, Morikawa, Rhoads, Saiki, Takumi and Wooley voting no.

Conf. Com. Rep. No. 160-12 and S.B. No. 2536, HD 2, CD 1:

Representative Chong moved that the report of the Committee be adopted, and that S.B. No. 2536, HD 2, CD 1, pass Final Reading, seconded by Representative Evans.

Representative Awana rose in support of the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Awana's written remarks are as follows:

"Mr. Speaker, I rise in support. This measure creates a task force to look at the many challenges and concerns surrounding clean and sober homes and halfway houses. Although I strongly support initiatives that provides support to individuals needing guidance and help at a vulnerable time in their life, in my research, I have found that monitoring of these facilities is limited. In addition, residents in the community have expressed concern regarding these types of operations. However, my support for this measure to establish a task force is not only for the existing community, but also for those receiving programming services in these clean and sober and halfway houses. Thank you, Mr. Speaker."

Representative Ichiyama rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2536, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CLEAN AND SOBER HOMES AND HALFWAY HOUSES," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 165-12 and S.B. No. 2776, SD 2, HD 2, CD 1:

Representative Chong moved that the report of the Committee be adopted, and that S.B. No. 2776, SD 2, HD 2, CD 1, pass Final Reading, seconded by Representative Evans.

Representative Marumoto rose to speak in opposition to the measure, stating:

"Mr. Speaker, thank you. I rise in opposition to this measure. I guess I've been opposed to this bill since its inception. Although the Governor's Justice Reinvestment Act contains some good features, I think this is primarily a cost-saving measure for this Administration, and not true prison reform.

"Let me just mention the parts that I like. First and long overdue, attention will be paid to increased restitution paid to victims of crimes. Secondly, we'll be bringing back prisoners from the mainland, and I suppose their families will be grateful for that. Third, released prisoners will be offered more programs to help them reintegrate back into society. Fourth, it is true that releasing prisoners is a cost saving measure, since

housing them now costs \$190 million. Any savings would be appreciated. And considering that we spend only \$8,000 per public school student, we can prioritize the savings into our educational system.

"However, there are features in this bill that may be detrimental and even dangerous to public safety. This bill is based on recommendations of the Justice Reinvestment Working Group, working together with the Council of State Governments Justice Center. It aims to, and I quote, 'To improve the criminal justice system, relying on the department of public safety, Hawaii paroling authority, and adult probation services to effectively implement changes to policies and practices,' end quote.

"It will do this by reducing, and here I'm going to quote Part I of the bill, 'The current incarcerated population and generate savings of approximately five hundred beds and \$9,000,000 by the end of fiscal year 2013, eight hundred fifty beds and \$19,000,000 in fiscal year 2014, and one thousand fifty beds and \$26,000,000 in fiscal year 2015,' end quote. That means, in the first year of the program, 500 prisoners will be released. Year 2, 350 more prisoners; and 200 more in year 3. In my humble and uneducated estimation, this is *kapakahi*. I think we should start out small, and enlarge the program gradually. Why start the first year with 500 releases?

"I also question whether we will have the necessary programs and personnel in place for year 1. Will drug and alcohol treatment, counseling, vocational training or halfway houses, be ready? Will there be jobs for these people. The plan outlines releasing 1050 prisoners in the first 3 years of the program, and it will sunset in 2018. 6 years. 2018, I figure, is when this Administration may hope to exit the scene. So that's why I wonder whether this is prison reform, or a cost saving device for this Administration.

"The program, as described in earlier versions of this bill, called for the release of Class A felons, 18 months before the end of their terms. Class B and C would not be released as soon or as early. Why is this? I'm sure there must be a rationale explanation. I would release Class C felons sooner than Class A felons. This would appear to increase the danger to public safety.

"Even with programs supporting released prisoners, the recidivism rate approaches 50%. I share Prosecutor Keith Kaneshiro's skepticism. We should go slow when releasing prisoners to increase public safety and have people and programs in place to better their chances of success. This is important for the sake of the released prisoners, their families, and the community. We should reexamine the features of this release program, and design a better, long-term program. And consider all these things, as well as public safety. Thank you, very much."

Representative Ching rose in opposition to the measure and asked that the remarks of Representative Marumoto be entered into the Journal as her own, and the Chair "so ordered." (By reference only.)

Representative Aquino rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. I feel compelled to share a little bit about this bill. In support. The heart and purpose of the Justice Reinvestment Initiative is to manage criminal justice populations more efficiently and cost effectively, which in turn generates savings that can be reinvested in evidence-based strategies that increase public safety while holding offenders accountable.

"The JRI working group met with the Council of State Governments Justice Center to analyze our current system, which created some of the policy recommendations in this particular bill. It is important to note that the CSG Justice Center has worked with at least a dozen other states to achieve needed changes in their respective justice systems. Should this measure pass, the State of Hawaii would continue to receive technical assistance to further plan and implement these policies.

"It is apparent, Mr. Speaker, that the way the justice system is right now is inefficient, and is not working the way it should. The current recidivism rate of 50% is unacceptable, along with the various areas that this bill seeks to address. These shortcomings have increased correctional spending

unnecessarily at times, where we could be smarter with tax dollars, without compromising public safety. This bill is forward thinking, and has the opportunity to address long overdue problems.

"Mr. Speaker, I would just like to address some of the concerns that have been brought up. First, the pretrial risk assessment process. The addition of the 3-day requirement for the Department of Public Safety to conduct a pretrial risk assessment does not mean offenders will be released in that time. What that tries to do is to ensure that the assessment is done in a timely manner. There are times where the Department takes weeks, sometimes over a month, to complete these assessments, which results in delays and bottlenecks in the front-end of the justice system. Ultimately, it is still up to the judges, it is still up to the courts, who decide whether an offender is released on bail bond, pretrial supervision, or on their own recognizance. Contrary to what the bail bond companies and others are saying, this bill does not, does not force or take away the courts' authority in this process.

"Another point that I wanted to make a strong point on, Mr. Speaker, is the minimum sentence for low risk offenders. Mr. Speaker, some individuals have called this bill an early release bill. To some degree it is. Early release is called parole. This is not something new, Mr. Speaker. In fact, it has been around for some time now. In Section 8 of the measure, it focuses on the need and use of a validated risk assessment, which in turn assists the paroling authority in deciding release and programming needs and the likelihood of reoffending. We put in a check and balance language, in the bill, to permit the Paroling Authority to look into an offender's background, criminal history, even though they may be classified as low-risk.

"In addition, the bill has eligibility requirements to ensure that true, low-risk rehabilitated offenders are considered for release. I'd also like to point out that this bill does not shorten any, does not shorten any current offenders' sentences, and that this section is prospective, Mr. Speaker, meaning inmates would not be affected by this policy change until July, 2015. And for the comments about 1100 inmates to be released in 3 years, Mr. Speaker, take this as food for thought. According to the Hawaii Paroling Authority, from fiscal year 2008 to 2010, in those 3 years, Mr. Speaker, which I believe is a chunk of that time was during the previous Administration, over 2000, 2000 inmates were paroled in those 3 years. So if this is the case, the Department of Public Safety will be releasing less than what has been in the past. And, I believe Mr. Speaker, in addition the max-out language that was brought up by the previous speakers is no longer in the bill.

"So with that, Mr. Speaker, along with some of the victim restitution reform measures in this bill, which I really support ..."

Representative Cullen rose to yield his time, and the Chair "so ordered."

Representative Aquino continued, stating:

"Thank you. It's a great win for victims, Mr. Speaker. This bill raises the rate 150% and ensures that victims receive some compensation for their ordeal and hurts. This measure along with another measure, House Bill 2226, shows the Legislature's commitment to victims now and in the future.

"So Mr. Speaker, we also put in a sunset date of 6 years. This gives the justice system and all parties involved, including the Administration and the Judiciary, enough time to further plan and implement these policies and make necessary changes if needed. So this would help currently with the recidivism rate hovering around 50%. The 6 year sunset provides adequate time to reduce that rate to account for a better justice system, and for safer communities.

"Mr. Speaker, at this time I would also like to acknowledge certain people who have worked very hard on this piece of legislation, potentially landmark legislation, Mr. Speaker. I would like to thank the Administration and their staff, especially our former Majority Leader, Blake Oshiro, who worked very hard and helped in every which way possible. Also Mr. Speaker, I'd like to acknowledge the justice reinvestment working group, my Senate counterpart, the Chair of the

Senate Committee on Public Safety and Military Affairs. Also Mr. Speaker, I'd like to thank and acknowledge the House Chairs on Judiciary and Finance for their hard work and support. Also our House Vice Chair on Public Safety and Military Affairs, the House Finance Committee for all of their assistance, the Department of Public Safety, as well as the CSG Justice Center, Marshall Clement and Andy Barbee.

"So Mr. Speaker, today I would like to encourage my colleagues to support this legislation, which again would better our justice system, which equates to a safer community at large. Thank you, very much."

Representative McKelvey rose to speak in support of the measure, stating:

"Thank you very much, Mr. Speaker, I was going to go in support with serious reservations, however after that speech by the Public Safety Chair, I think my concerns have been satisfied, so I'd like to go in strong support and have his comments adopted as if they were my own. Thank you," and the Chair "so ordered." (By reference only.)

Representative Cabanilla rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. In support. I just would like to remind the Members that the cost of one day of an inmate in jail is \$169. Thank you."

Representative M. Lee rose to speak in support of the measure, stating:

"In strong support and just one comment. This is both reform and cost saving. And what's wrong with cost saving? Thank you."

Representative Oshiro rose to speak in support of the measure, stating:

"Mr. Speaker, I rise in strong support and ask that the Journal reflect the words of the Chair of Public Safety as my very own. Thank you," and the Chair "so ordered." (By reference only.)

Representative Har rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. In support with slight reservations. I first want to thank the Chair of Public Safety for the CD 1 that came out of the Committee. I think that it was very thoughtful and I think that he eloquently stated why this final version of the bill is something that we should all be proud of. But I do think that I remain consistent in my position, and I will do so now with respect to one of the later provisions in the bill, and for that part, I would like to add written comments into the Journal. Thank you."

Representative Har's written remarks are as follows:

"Mr. Speaker, I rise with slight reservations on Senate Bill 2776 SD2 HD2 CD1, the Administration's justice reinvestment bill. My reservations lie with the victims' restitution fund not being enough to compensate the victims and their families. The bill in its final form pays victims twenty-five percent of the total moneys earned on new deposits and credits to the inmate's account while incarcerated. Though this bill does increase victim restitution collection from ten percent to twenty-five percent, it is still not adequate payment to victims. Accordingly, I support this measure with reservations."

Representative Yamane rose to speak in support of the measure, stating:

"In strong support, and I would like the words from the Representative of Waipahu inserted as my own," and the Chair "so ordered." (By reference only.)

Representative Souki rose to speak in support of the measure, stating:

"Mr. Speaker, with very strong support, however a few caveats. As for the Chairman, I'm going to say he did a wonderful job, he and the Committee. And so did the Committees on Judiciary and Finance. My concern is that we have not built a new prison for many years. There is an

old dilapidated prison on Maui that's been waiting for many, many years. There are three to a small little cell. There are not enough rehabilitation programs preparing the prisoners for when they get out.

"I think until we can develop a more comprehensive system, we will continue to have a high recidivism rate. Because letting the prisoners out is good and I'm all for it. I've been a proponent of that for many years. But I'm disappointed that we have not taken to task ourselves in building a new prison, including more rehabilitation and counselors before the prisoners go out. Right now we have recidivism that's up to 55% to 60%. That's too high a margin. And unless you correct the problem, this is just going to continue. Thank you, very much."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2776, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC SAFETY," passed Final Reading by a vote of 42 ayes to 9 noes, with Representatives Ching, Giugni, Hashem, Ichiyama, Marumoto, Morikawa, Pine, Takai and Ward voting no.

At 12:55 o'clock p.m., the Chair noted that the following bills passed Final Reading:

H.B. No. 2515, HD 3, SD 2, CD 1
H.B. No. 2251, SD 1, CD 1
H.B. No. 2302, HD 2, SD 1, CD 1
S.B. No. 2536, HD 2, CD 1
S.B. No. 2776, SD 2, HD 2, CD 1

At 12:55 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 12:58 o'clock p.m.

At this time, the Chair recognized the Clerk who announced:

"I have been informed by a representative of the President of the Senate that the Conference Committee Report for H.B. No. 2012, HD 1, SD 1, CD 1, was adopted, and that said House Bill, Relating to the State Budget, passed Final Reading in the Senate at 12:18 p.m. on this day.

"In addition, I have been informed by the Assistant Chief Clerk of the House that at 12:24 p.m. on this day, House Bill No. 2012, HD 1, SD 1, CD 1, has been duly transmitted by the Legislature to the Governor, pursuant to Article VII, Section 9 of the Hawaii State Constitution."

At this time, the Chair stated:

"Members, let's go back to the Consent Calendar, let's pick up on page 3."

CONSENT CALENDAR

UNFINISHED BUSINESS

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 1825-12) recommending that S.B. No. 2740, SD 1, pass Third Reading.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2740, SD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HOUSING LOAN AND MORTGAGE PROGRAM," passed Third Reading by a vote of 50 ayes, with Representative Marumoto being excused.

At 1:00 o'clock p.m., the Chair noted that the following bill passed Third Reading:

S.B. No. 2740, SD 1

At this time, the Chair stated:

"Members, again there will be no discussion as these are items agreed to by this Body for placement on Consent Calendar."

Conf. Com. Rep. No. 70-12 and S.B. No. 155, SD 2, HD 1, CD 1:

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 155, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ATHLETIC TRAINERS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 117-12 and H.B. No. 2248, HD 2, SD 2, CD 1:

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2248, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR HAWAII PACIFIC UNIVERSITY," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 118-12 and H.B. No. 2626, HD 2, SD 2, CD 1:

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2626, HD 2, SD 2, CD 1, pass Final Reading, seconded by Representative Evans.

Representative Keith-Agaran's written remarks are as follows:

"Thank you, Mr. Speaker. I support HB 2626 HD2 SD2 CD1 which promotes safe conditions for children to walk or bicycle to school by permanently establishing the Safe Routes to School program within the Department of Transportation, and establishing and appropriating funds for a Safe Routes to School Program special fund.

"While encouraging our citizens to choose walking and bicycling over driving for their modes of transportation has the potential to save our environment and slow the obesity growth plaguing our children, this bill is also timely given the Department of Education (DOE)'s challenges with its over-priced school bus contracts. On the Neighbor Islands, the DOE has threatened to end school bus services completely, including my Central Maui community which has two public high schools with enrollments both close to two thousand students each, two of the largest Middle Schools in the State, and five elementary schools (with a sixth under construction).

"We need to be mindful that children between the ages of five and eighteen have the highest rates of pedestrian injuries requiring hospital treatment or death. In the half-century that has developed Central Maui as the heart of our island's population, the neighborhoods have been built under different subdivision infrastructure standards. There are older areas without any sidewalks or bike paths for the safe passage of children walking or riding to school.

"Hawaii had the fifth highest pedestrian fatality rate from traffic crashes in the United States between the years of 2001 and 2005 and that rate has not significantly improved. Therefore, it is imperative that we, as a community, be pro-active in preventing speeding and other traffic violations in designated routes to schools. Making this program permanent should make it clear to DOT that safe routes concerns should be a priority in planning and allocation of available resources."

Representative Awana's written remarks are as follows:

"Mr. Speaker, I rise in strong support. This measure will help to provide the necessary funding for those travelling to and from schools. The Obama Administration has launched a campaign to address childhood obesity. The safe routes to school program will address obesity in our State by addressing hazardous conditions which deter students from commuting in a safe and timely manner by creating venues where commuters can walk or bike safely. For these reasons I rise in strong support."

Representative Kawakami's written remarks are as follows:

"Mr. Speaker I am in strong support of HB 2626, Relating to Safe Routes to School. In a day and age where we have become ever so reliant on the automobile and the daunting task of trying to juggle so many of life's responsibilities, oftentimes our focus on the road has turned to distraction which sadly has led to fatalities and injuries on our roadways. This measure will help to incentivize safe, responsible driving and will also create a much needed funding mechanism to make our roadways and streets friendlier for bikers and pedestrians alike.

"As we continue to encourage alternative modes of transportation such as walking and biking, it is also imperative that we provide the necessary infrastructure and education to promote this healthy mode of transportation. I believe Mr. Speaker, that if we can get our youth to walk and bike more, and to be more active not only will it benefit their health, but it will strengthen our communities. You see Mr. Speaker, when we walk the streets of our towns and neighborhoods we capture the essence and the pulse of our community. We get to see and interact with our neighbors. We get to appreciate the details of our neighborhood that often get overlooked when we just drive by in our cars.

"Mr. Speaker, I truly believe that this measure does so much more than what is in the language of this bill. It strengthens our relationships with one another and it lets us appreciate the communities that we live in. Mr. Speaker, because of this I stand in strong support. Mahalo."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2626, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SAFE ROUTES TO SCHOOL," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 132-12 and H.B. No. 1800, HD 2, SD 2, CD 1:

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 1800, HD 2, SD 2, CD 1, pass Final Reading, seconded by Representative Evans.

Representative Keith-Agaran's written remarks are as follows:

"Thank you, Mr. Speaker. I rise in strong support of HB 1800 which provides supplemental appropriations for the Judicial Branch of State government.

"The Judiciary's request focused on maintaining its existing infrastructure while providing some limited resources to ensure the safety and security of juveniles held at the Hale Hoomalu Juvenile Detention Facility at Kapolei. The Judiciary has done its share in meeting the State budget challenges by taking similar steps as the Executive and Legislative branches, including pay cuts and furloughs. Considering that the Judiciary has no direct control over the volume of its workload – dependent on criminal and civil filings by third parties – the Judiciary has asserted that budget issues have no doubt resulted in justice being delayed in some cases and hearings taking longer to be heard and resolved.

"For example, the Judiciary indicates from FY 2009 and FY 2011, the median age for adjudicating Family Court felony cases increased by 32%. Additionally, the number of pending civil cases at the end of the fiscal year increased by 122% in the district courts and 32% in the circuit courts from FY 2008 through FY 2011. The mediation age of pending circuit court civil cases increased by more than 32% between FY 2009 and FY 2011. This supplemental budget tries to address certain critical issues.

"This bill authorizes moneys for a district family court judge and three support positions, due to the significant increase in family court caseloads, to facilitate the efficient delivery of judicial services to the public.

"In conjunction with other Justice Reinvestment Initiative measures, this bill also provides two probationary service positions.

"The bill also funds the expansion of court interpreter services so as to facilitate access to justice for those who have limited English proficiency.

"This measure authorizes four new juvenile detention worker positions at the Kapolei detention facility to ensure the safety and security of

juveniles during all three facility operating shifts daily, thereby significantly reducing the use of overtime at the facility. In addition, the bill provides on-call nursing services for both the juvenile shelter facility on Alder Street in Honolulu and for the Kapolei detention facility, which will ensure that nurses are available to treat the juveniles when the day staff is not present.

"The bill also addresses a Neighbor Island issue arising from budget cuts in the Department of Public Safety (DPS). While Oahu courts have been providing community service sentencing program functions while DPS provided the same services on the Neighbor Islands circuits. DPS phased out services for the Second Circuit (Maui, Lanai and Molokai) several years ago and at the start of the Legislative Session announced the end of services for the Fifth Circuit (Kauai and Niihau) as well. This measure provides eight adult community service sentencing positions on the islands of Maui, Hawaii, and Kauai to fill the services previously provided by DPS and eliminated by that department. If these community service sentencing positions were not provided then persons deserving of doing community service as punishment could only be incarcerated instead.

"The budget also provides for the continuation of maintenance and warranty contracts at the Ronald T.Y. Moon Judiciary Complex in Kapolei so as to afford continuing service and maintenance for the building elevator, air-conditioning, court recording, fire alarm and sprinkler operations.

"Finally, this measure provides in excess of \$12 million in general obligation bond funding for capital improvement projects related to the Judiciary, for various internal maintenance and upgrade projects to resolve issues with air handling systems on Maui and Oahu, as well as exterior building improvements at various sites across Oahu."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1800, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE JUDICIARY," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 138-12 and H.B. No. 2100, HD 2, SD 1, CD 1:

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2100, HD 2, SD 1, CD 1, pass Final Reading, seconded by Representative Evans.

Representative Tsuji's written remarks are as follows:

"For decades, UH-Hilo has been at the forefront of bee hive study and research. The work done by Dr. Lorna Tsutsumi from the College of Agriculture, Farming, Natural Resource Management is noteworthy and has garnered support from renowned chef Alan Wong. Honey bees are responsible for crop pollination and their health and well-being is especially important if we are to reduce our dependency on imported food. However, there are several major pests threatening honey bees in Hawaii. The small hive beetle arrived in the State in 2010 and has been detected on four islands. Its presence compounds the challenges for beekeepers, who are already dealing with the *Varroa* mite since 2007.

"The appropriations in HB 2100 ensure continuing research in this field. This type of work can only help the bee hive industry survive its current challenges and any future ones it may face."

Representative Ching's written remarks are as follows:

"Mr. Speaker, I rise in strong support of HB 2100, relating to funding for statewide research on honey bees.

"The \$30,000 allocated by this bill would be well spent by the four counties and the UH Hilo College of Agriculture, Forestry and Natural Resource Management.

"As you know, Hawaii's honey bee industry is an example of global excellence. We are now the world's No.1 exporter of queen bees. This industry creates jobs and strengthens and diversifies our state economy.

"Honey bees also promote food security by pollinating numerous crops, including tomatoes, melons, cucumbers, coffee, avocados, macadamia nuts and citrus products. Unfortunately, our honey bee industry is seriously threatened by pests such as the small hive beetle. This invasive species was first spotted in Hawaii in 2010 and is now found on the Big Island, Maui and Molokai. This latest threat adds to the challenges of beekeepers, who have battled another destructive pest – the varroa mite – since 2007.

"UH researchers point out that controlling the small hive beetle is difficult. It's hard to control them with chemicals, and current trapping methods are inadequate. That's why the research funded by HB 2100 is so important. By focusing statewide efforts on the small hive beetle, we can hopefully bring this pest under control.

"As the Hawaii Farm Bureau Federation points out: "Honey bee problems are problems for all of us, since many local crops are pollinated by bees." And if we can't control the pests and diseases that harm honey bees, our State's agriculture industry will suffer from lower production and lower quality of crops. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2100, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO BEES," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 140-12 and H.B. No. 246, HD 1, SD 2, CD 1:

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 246, HD 1, SD 2, CD 1, pass Final Reading, seconded by Representative Evans.

Representative Keith-Agaran's written remarks are as follows:

"Thank you, Mr. Speaker. I stand in support of this bill, which provides necessary funding to support the efforts and work of the Honolulu Prosecutor's Office. Specifically, this bill will support the City's Career Criminal division, its involvement in Drug Court and Hawaii's Opportunity Probation with Enforcement Program, as well as its Victim Witness Assistance Program.

"This bill recognizes that the genesis of these programs were essentially legislative mandates that sought to make our communities safer and were initially funded with seed money from the federal or state governments, or both:

"To protect our communities from a disproportionate amount of serious crimes being committed by a minimal number of multiple and repeat felony offenders, the Legislature created the Career Criminal Prosecution program in 1979. To provide information, assistance, and support services to victims and witnesses of crimes, the Legislature established the Victim Witness Assistance program in 1986. To address recidivism and rehabilitation of criminal offenders the Legislature created the State's Drug Court Program in 1996, and started Hawaii's Opportunity Probation with Enforcement (HOPE) Program in 2004.

"Considering the volume of cases handled by the City and County of Honolulu, these vital and successful programs have consistently been supported by the Legislature, and should continue to have state resources allocated, as available."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 246, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO APPROPRIATIONS TO THE DEPARTMENT OF THE PROSECUTING ATTORNEY OF THE CITY AND COUNTY OF HONOLULU," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 144-12 and H.B. No. 2806, HD 2, SD 2, CD 1:

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2806, HD 2, SD 2, CD 1, pass Final Reading, seconded by Representative Evans.

ROUGH DRAFT

Representative Hanohano's written remarks are as follows:

"Mahalo Ho'omalu 'ōlelo. Ke ha'aha'a nei au no ko'u kako'o loa e pili ana kēia pila, Aha Moku. Mahalo iā 'oukou no kō 'oukou koho pāloka. E ha'alele kākou i ka leo ho'okahi ma kēia kau mau. E holo mua kākou ma ka mana'o'i'i, ka mana'olana a me ke aloha no kō kākou waiwai like'ole no kō kākou Aupuni. Nā ka pomaika'i a me ka maluhia iā kō kākou. Mahalo piha.

"Thank you, Mr. Speaker. I am humbled to support this advisory resource bill. Thank you all for your vote of confidence. We leave this Legislative Session with a unified voice. We move forward with faith, hope and love for our State resources. Blessings and peace to all of us. Thank you deeply."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2806, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO NATIVE HAWAIIANS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 154-12 and S.B. No. 2116, SD 2, HD 1, CD 1:

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2116, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CHARTER SCHOOLS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 162-12 and S.B. No. 2779, SD 2, HD 1, CD 1:

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2779, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE AGING AND DISABILITY RESOURCE CENTERS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 166-12 and S.B. No. 2320, SD 2, HD 2, CD 1:

Representative Chong moved that the report of the Committee be adopted, and that S.B. No. 2320, SD 2, HD 2, CD 1, pass Final Reading, seconded by Representative Evans.

Representative Keith-Agaran's written remarks are as follows:

"Thank you, Mr. Speaker. I strongly support this bill which provides much needed assistance for the elderly and their caregivers in our community. Putting Kupuna Care in law recognizes and prioritizes the role of community-based supports for our frail and elderly.

"This measure establishes the legal framework for a continuum of care firmly based in local communities and recognizes the important role provided by family caregivers. Much of the care provided in Hawaii's close-knit communities are provided by family members. This bill will provide better support for them.

"There is no doubt that Hawaii's growing elderly population may need long-term care facilities. But we need to recognize the important role provided through traditional family support by funding and supporting affordable quality home and community-based services. The Kupuna Care Program has been addressing the growing needs of the elderly and increasing demand for such services.

"As the baby boomers enter their elder years, the demand for such services will only increase and the State must be positioned and prepared to accommodate such demand. The need for long-term care has become more widespread as a result, and the Kupuna Care Program serves as a mechanism for providing affordable long-term care by supporting home-based solutions as long as practical and effective. At a time when the economy is struggling, affordability remains a priority.

"Reserving funds to support senior centers such as Catholic Charities Hawaii, Moiliili Community Center and the Waikiki Community Center will continue to benefit Hawaii's senior citizens. In addition, funding the Alzheimer's Association and establishing a wanderer's registration service

ensures that Alzheimer's patients are not forgotten and increases our monitoring of them as well. These services are essential to our continuing need to care for the elderly as they become unable to care for themselves.

"We must protect our elderly citizens as they become more vulnerable to society. The Kupuna Care Program's services will also ensure that our elderly are cared for and protected, and that they will enjoy a quality of life that's caring and humane."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2320, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AGING," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 167-12 and S.B. No. 490, SD 3, HD 1, CD 1:

Representative Chong moved that the report of the Committee be adopted, and that S.B. No. 490, SD 3, HD 1, CD 1, pass Final Reading, seconded by Representative Evans.

Representative Awana's written remarks are as follows:

"Mr. Speaker, I rise in support. This measure is needed if Hawaii wants to stay in the game of international travel. As House Chair of the Committee on International Affairs, I have been amazed by the stories of individuals being thwarted by the challenges of coming into the United States for the purpose of travel. For some, it takes a day of travelling and hours and hours of waiting in line to request a visa, and sometimes after the time and effort taken, it will not guarantee them a visa as the individual may be denied authorization.

"The Obama Administration's recent effort to address visa and travel challenges will create increased business for one of Hawaii's largest economic engine – Tourism. The appropriation for this measure will help in securing Hawaii as a major force at the national and international level. For these reasons, Mr. Speaker, I rise in support."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 490, SD 3, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII TOURISM AUTHORITY," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 169-12 and S.B. No. 2695, SD 2, HD 2, CD 1:

Representative Chong moved that the report of the Committee be adopted, and that S.B. No. 2695, SD 2, HD 2, CD 1, pass Final Reading, seconded by Representative Evans.

Representative Tsuji's written remarks are as follows:

"This measure would implement a livestock feed feasibility pilot project through the Department of Agriculture. Our local protein producers continue to struggle with ever-rising costs of livestock feed, and so this Bill is a step towards increasing the industry's sustainability. It includes language to build a pilot-scale feed mill to assess the operational feasibility of a feed mill in Hawaii. There is also an appropriation to reimburse qualified producers of milk, pork, eggs, poultry, and beef, for their feed costs. This Bill will help sustain our existing producers and I urge my colleagues to support it."

Representative Awana's written remarks are as follows:

"Mr. Speaker, I rise in support. The majority of farmers in Hawai'i are struggling. As a legislator who represents a community of farmers, the information that I have gathered while speaking with them has been the great challenges with feedstock for livestock farming. The high cost of fuel has immensely increased the overall cost of feedstock – being responsible for about 70% of the production costs in comparison to their mainland counterparts where this cost is responsible for 50% of production costs.

"Mr. Speaker, the feasibility pilot project will help to address this issue by discussing alternatives and initiatives to address these high costs which

in turn make food sustainability and food security, both of which is urgently needed, impossible for Hawaii's farming community. For these reasons, I stand in strong support Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2695, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO LIVESTOCK FEED," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 170-12 and H.B. No. 1968, HD 1, SD 2, CD 1:

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1968, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CIGARETTES," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 174-12 and S.B. No. 2933, SD 2, HD 2, CD 1:

Representative Chong moved that the report of the Committee be adopted, and that S.B. No. 2933, SD 2, HD 2, CD 1, pass Final Reading, seconded by Representative Evans.

Representative Keith-Agaran's written remarks are as follows:

"Thank you, Mr. Speaker. I strongly support this bill which promotes and improves ocean safety and addresses a long-time user conflict in the nearshore waters surrounding Maui.

"In a state surrounded mainly by water and doubling as a tourist destination, ocean safety is a high priority for both residents and visitors. In order to prevent tragic incidents in our waters, we must strive to take measures to safeguard against any potential problems to make our waters safe for both residents and visitors.

"Appropriating funds for swim zone buoys in nearshore waters is a step towards ocean safety and protecting swimmers and divers engaging in ocean activities. For visitors to the islands, they are often ill-prepared for the risks and dangers in our waters. The buoys would mark the areas distinguishing between vessel traffic and recreational use to avoid accidents. The buoys are clearly required because of the additional danger of collisions between swimmers/divers and boats. As a result of previous collisions – including fatalities – we must take action now to prevent any further tragedies.

"We want to make our waters safe for every commercial or recreational activity and use without putting any more lives in danger. Swim zone buoys are a simple solution that will provide a greater invaluable benefit to the people of Hawaii and visitors as well."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2933, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO OCEAN SAFETY," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 176-12 and S.B. No. 2947, SD 2, HD 2, CD 1:

Representative Chong moved that the report of the Committee be adopted, and that S.B. No. 2947, SD 2, HD 2, CD 1, pass Final Reading, seconded by Representative Evans.

Representative Keith-Agaran's written remarks are as follows:

"Thank you, Mr. Speaker. I stand in support of this measure which contains two parts.

"The first part requires the Department of Taxation to submit reports on tax credits to the Legislature annually and to submit by December 31, 2012, a report to the Legislature on the resources and information needed to complete the reports, identification of the best means of providing information in an electronic format; and recommendations for additional information that may be required for inclusion in the reports as the Department upgrades its tax computer systems and associated enterprise resource planning implementation. This part also gives the Department

discretion (rather than a mandate) to explore and implement reasonable methods to cover the costs of distribution of these reports and appropriate money [\$104,505] to support the Department to complete these reports.

"The second part allows the Director of Taxation to appoint administrative appeals officers to administer its Administrative Appeals and Dispute Resolution programs so that it may resolve all tax, penalty, interest, fine, assessment and other disputes between the Department and taxpayers expeditiously.

"This measure will make Department of Taxation more transparent by making more information available timely to the Legislature and ensuring that as the Department develops its computer system, it does so in a way that provides important information to the Legislature so that it may perform the vital function of monitoring the State's fiscal health.

"The measure will also allow the Department to appoint legal professionals for the limited role of hearing administrative appeals of tax issues. This will result in quicker resolution of claims for those who challenge decisions of the Department."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2947, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," passed Final Reading by a vote of 51 ayes.

At 1:01 o'clock p.m., the Chair noted that the following bills passed Final Reading:

S.B. No. 155, SD 2, HD 1, CD 1
H.B. No. 2248, HD 2, SD 2, CD 1
H.B. No. 2626, HD 2, SD 2, CD 1
H.B. No. 1800, HD 2, SD 2, CD 1
H.B. No. 2100, HD 2, SD 1, CD 1
H.B. No. 246, HD 1, SD 2, CD 1
H.B. No. 2806, HD 2, SD 2, CD 1
S.B. No. 2116, SD 2, HD 1, CD 1
S.B. No. 2779, SD 2, HD 1, CD 1
S.B. No. 2320, SD 2, HD 2, CD 1
S.B. No. 490, SD 3, HD 1, CD 1
S.B. No. 2695, SD 2, HD 2, CD 1
H.B. No. 1968, HD 1, SD 2, CD 1
S.B. No. 2933, SD 2, HD 2, CD 1
S.B. No. 2947, SD 2, HD 2, CD 1

At 1:01 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 1:03 o'clock p.m.

FINAL READING

Representative Chong moved to agree to the amendments made by the Senate to the following House Bills, seconded by Representative Evans and carried:

H.B. No. 302, HD 1, (SD 2)
H.B. No. 2113, HD 1, (SD 1)
H.B. No. 2257, HD 1, (SD 1)
H.B. No. 2258, HD 2, (SD 1)
H.B. No. 2409, (SD 1)
H.B. No. 2601, HD 3, (SD 1)

The Chair addressed the Clerk who announced that the record of votes for H.B. No. 302, HD 1, SD 2; H.B. No. 2113, HD 1, SD 1; H.B. No. 2257, HD 1, SD 1; H.B. No. 2258, HD 2, SD 1; H.B. No. 2409, SD 1; and H.B. No. 2601, HD 3, SD 1, had been received which indicated that the requisite number of House Conferees appointed had agreed to the amendments made by the Senate, and had cast affirmative votes to report said measures to the Floor for final disposition.

The Chair then announced:

"Members, there will be no discussion on these items as well as these are items agreed to by this Body for placement on the Consent Calendar."

H.B. No. 302, HD 1, SD 2:

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 302, HD 1, on the following showing of Ayes and Noes:

Ayes, 4 (Keith-Agaran, Har, Tsuji and Thielen). Noes, none. Excused, none.

On motion by Representative Chong, seconded by Representative Evans and carried, H.B. No. 302, HD 1, SD 2, entitled: "A BILL FOR AN ACT RELATING TO THE PROBATION SERVICES SPECIAL FUND," passed Final Reading by a vote of 51 ayes.

H.B. No. 2113, HD 1, SD 1:

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 2113, HD 1, on the following showing of Ayes and Noes:

Ayes, 6 (Aquino, Rhoads, Cullen, M. Lee, Yamane and Fontaine). Noes, none. Excused, none.

On motion by Representative Chong, seconded by Representative Evans and carried, H.B. No. 2113, HD 1, SD 1, entitled: "A BILL FOR AN ACT RELATING TO FIRE PROTECTION," passed Final Reading by a vote of 51 ayes.

H.B. No. 2257, HD 1, SD 1:

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 2257, HD 1, on the following showing of Ayes and Noes:

Ayes, 4 (Aquino, Cullen, Cabanilla and Johanson). Noes, none. Excused, 1 (Yamane).

Representative Chong moved that H.B. No. 2257, HD 1, SD 1, pass Final Reading, seconded by Representative Evans.

Representative Keith-Agaran's written remarks are as follows:

"Mr. Speaker, I support HB 2257 which better allows our State to take advantage of an often overlooked resource – the skills and experience of spouses and family of service members stationed in our islands.

"This measure permits licensure by endorsement or licensure by reciprocity in certain situations for a nonresident military spouse, establishes procedures for a non-resident military spouse to receive a license by endorsement or license by reciprocity, permits issuance of a temporary license if certain requirements are met, requires the licensing authority to expedite consideration of the application and issuance of a license by endorsement, license by reciprocity, or temporary license to a qualified nonresident military spouse.

"In order to support the quality of life for our military service members we must also support their spouses and families. On average, military families relocate every two to three years, and 14.5% of military families move across state lines every year. Once here, military spouses often find that becoming licensed in their new state of residence is not worth the trouble. Exams, background checks, and the application process itself can take up to six months. It is unfair to require military spouses to continue to

go through the licensing process in every new state they re-locate to, every two to three years. With these cumbersome requirements in place, many military spouses end up taking employment that is well below their level of expertise and credentials. This has the potential to dissuade potential service members from entering the military, and encourage the 59% of married military service members to withdraw from service. In an effort to support our military and their family members, this bill allows for a substitution of the licensing requirement of experience for a requirement of competency, and expedites the licensing process on the whole."

The motion was put to vote by the Chair and carried, and H.B. No. 2257, HD 1, SD 1, entitled: "A BILL FOR AN ACT RELATING TO PROFESSIONAL AND VOCATIONAL LICENSING," passed Final Reading by a vote of 51 ayes.

H.B. No. 2258, HD 2, SD 1:

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 2258, HD 2, on the following showing of Ayes and Noes:

Ayes, 6 (Aquino, Herkes, Cullen, Cabanilla, Nakashima and Johanson). Noes, none. Excused, none.

Representative Chong moved that H.B. No. 2258, HD 2, SD 1, pass Final Reading, seconded by Representative Evans.

Representative Keith-Agaran's written remarks are as follows:

"Mr. Speaker, I support HB 2258, HD2, SD1 which recognizes military vocational and educational training in Hawaii licensing. This measure requires professional and vocational licensing boards to consider relevant military education, training, and service as part of the evaluation process toward the qualifications of a license.

"Our nation's military service members enjoy the opportunity to receive professional training through the military, but this incentive to enlist in the military is often times diminished by the fact that once they are discharged, they discover that licensing boards do not accept these credentials, training and education in providing civilian licenses. This bill seeks to remedy that and make sure that the time and effort that both our service members and our military devote to their training will benefit both the veterans and the community who will benefit from their skills as they return to live and work in the community.

"This is a common sense bill that ensures that tax payer money invested in training our veterans does not go to waste, and ensures that veterans have the full use of their training in making a living in Hawaii for the betterment of our State."

The motion was put to vote by the Chair and carried, and H.B. No. 2258, HD 2, SD 1, entitled: "A BILL FOR AN ACT RELATING TO PROFESSIONAL AND VOCATIONAL LICENSING," passed Final Reading by a vote of 51 ayes.

H.B. No. 2409, SD 1:

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 2409, on the following showing of Ayes and Noes:

Ayes, 5 (Aquino, Cullen, Cabanilla, Ito and Johanson). Noes, none. Excused, 1 (Herkes).

Representative Chong moved that H.B. No. 2409, SD 1, pass Final Reading, seconded by Representative Evans.

Representative Keith-Agaran's written remarks are as follows:

"Thank you, Mr. Speaker. I strongly support this bill which extends protections for our military men and women and their families from being targets of predatory lending practices.

"I understand that members of the military and their families must be protected from unfair and predatory deceptive consumer practices. During these slow economic times, military members must often seek financial assistance in order to provide for their families and pay their bills. Financial agencies recognize the desperate demand for such financial assistance, which can lead to companies engaging in predatory or abusive lending practices to the disadvantage of military members.

"In order to alleviate further financial burdens on the men and women serving our country, we must implement measures that will enforce consumer protection laws to deter such deceptive business practices. We need to help our military members minimize their debt, rather than add to it because of poor monitoring of lending practices by companies trying to gain financially.

"I agree that it is appropriate to authorize the Director of Commerce and Consumer Affairs to enforce certain federal laws to protect military members and their families from abusive lending practices in order to ensure that no military members fall through the cracks and become victims of such practices."

The motion was put to vote by the Chair and carried, and H.B. No. 2409, SD 1, entitled: "A BILL FOR AN ACT RELATING TO CONSUMER PROTECTION," passed Final Reading by a vote of 51 ayes.

H.B. No. 2601, HD 3, SD 1:

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 2601, HD 3, on the following showing of Ayes and Noes:

Ayes, 3 (Aquino, Keith-Agaran and Cullen). Noes, none. Excused, 1 (Fontaine).

Representative Chong moved that H.B. No. 2601, HD 3, SD 1, pass Final Reading, seconded by Representative Evans.

Representative Keith-Agaran's written remarks are as follows:

"Thank you, Mr. Speaker. I stand in support of this measure which increases the efficiency of the Department of Public Safety by allowing people authorized by court to serve legal process in addition to sheriffs and police. This hopefully will ensure that backlogs in serving legal process can be addressed in a timely and efficient manner in the future. This will give greater flexibility to litigants and allow the Department of Public Safety, police and sheriffs to allocate their limited human resources to the areas of greater need."

The motion was put to vote by the Chair and carried, and H.B. No. 2601, HD 3, SD 1, entitled: "A BILL FOR AN ACT RELATING TO THE SERVICE OF PROCESS," passed Final Reading by a vote of 51 ayes.

At 1:06 o'clock p.m., the Chair noted that the following bills passed Final Reading:

H.B. No. 302, HD 1, SD 2
H.B. No. 2113, HD 1, SD 1
H.B. No. 2257, HD 1, SD 1
H.B. No. 2258, HD 2, SD 1
H.B. No. 2409, SD 1
H.B. No. 2601, HD 3, SD 1

At this time, the Chair announced:

"Members, please remember to submit to the Clerk the list of House and Senate Bills on the Consent Calendar for which you will be inserting

written comments in support or in opposition. This must be done before the adjournment of today's Floor session.

"For the bills you want to insert written remarks for on the Consent Calendar, please submit your list of bills for comments before the end of session today. Thank you.

"Let's proceed on to the Ordinary Calendar. We're on page 8 of the Order of the Day, appropriation bills, Unfinished Business."

ORDINARY CALENDAR

UNFINISHED BUSINESS

Representative Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 1824-12) recommending that S.B. No. 2952, SD 2, pass Third Reading.

Representative Chong moved that the report of the Committee be adopted, and that S.B. No. 2952, SD 2, pass Third Reading, seconded by Representative Evans.

Representative Ching rose to disclose a potential conflict of interest, stating:

"Thank you Mr. Speaker. I'd like to rise for a ruling on a potential conflict of interest. My daughter is a second grader at Le Jardin," and the Chair ruled, "no conflict."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2952, SD 2, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR LE JARDIN ACADEMY," passed Third Reading by a vote of 50 ayes, with Representative Say being excused.

At 1:07 o'clock p.m., the Chair noted that the following bill passed Third Reading:

S.B. No. 2952, SD 2

Conf. Com. Rep. No. 85-12 and S.B. No. 240, SD 2, HD 2, CD 1:

Representative Chong moved that the report of the Committee be adopted, and that S.B. No. 240, SD 2, HD 2, CD 1, pass Final Reading, seconded by Representative Evans.

Representative Ching rose to disclose a potential conflict of interest, stating:

"Thank you, Mr. Speaker. I rise again for a ruling on a potential conflict of interest. My husband is a physician. Thank you," and the Chair ruled, "no conflict."

Representative Thielen rose to disclose a potential conflict of interest, stating:

"Thank you, Mr. Speaker. Also a ruling please. My grandson is just graduating from the medical school this month. Thank you," and the Chair ruled, "no conflict."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 240, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PHYSICIAN WORKFORCE ASSESSMENT," passed Final Reading by a vote of 50 ayes, with Representative Cabanilla being excused.

Conf. Com. Rep. No. 86-12 and S.B. No. 2115, SD 2, HD 2, CD 1:

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2115,

SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CHARTER SCHOOLS," passed Final Reading by a vote of 50 ayes, with Representative Cabanilla being excused.

Conf. Com. Rep. No. 90-12 and S.B. No. 2383, SD 1, HD 1, CD 1:

Representative Chong moved that the report of the Committee be adopted, and that S.B. No. 2383, SD 1, HD 1, CD 1, pass Final Reading, seconded by Representative Evans.

Representative Yamane rose to disclose a potential conflict of interest, stating:

"Mr. Speaker, I would like a ruling on a potential conflict. I am an on-call social worker at the Queen's Emergency Room. Thank you," and the Chair ruled, "no conflict."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2383, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST NOT-FOR-PROFIT CORPORATIONS THAT PROVIDE HEALTH CARE FACILITIES TO THE GENERAL PUBLIC," passed Final Reading by a vote of 50 ayes, with Representative Cabanilla being excused.

Conf. Com. Rep. No. 101-12 and S.B. No. 1083, SD 1, HD 1, CD 1:

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 1083, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," passed Final Reading by a vote of 50 ayes, with Representative Cabanilla being excused.

At 1:10 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 1:11 o'clock p.m.

At 1:12 o'clock p.m., the Chair noted that the following bills passed Final Reading:

S.B. No. 240, SD 2, HD 2, CD 1
S.B. No. 2115, SD 2, HD 2, CD 1
S.B. No. 2383, SD 1, HD 1, CD 1
S.B. No. 1083, SD 1, HD 1, CD 1

Conf. Com. Rep. No. 103-12 and S.B. No. 2323, SD 1, HD 1, CD 1:

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2323, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR PUBLIC EMPLOYMENT COST ITEMS," passed Final Reading by a vote of 50 ayes, with Representative Cabanilla being excused.

Conf. Com. Rep. No. 104-12 and S.B. No. 2324, SD 1, HD 1, CD 1:

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2324, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR PUBLIC EMPLOYMENT COST ITEMS," passed Final Reading by a vote of 50 ayes, with Representative Cabanilla being excused.

Conf. Com. Rep. No. 119-12 and H.B. No. 2495, HD 1, SD 1, CD 1:

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2495, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO

COLLECTIVE BARGAINING COST ITEMS," passed Final Reading by a vote of 50 ayes, with Representative Cabanilla being excused.

Conf. Com. Rep. No. 121-12 and H.B. No. 2476, HD 1, SD 2, CD 1:

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2476, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR CLAIMS AGAINST THE STATE, ITS OFFICERS, OR ITS EMPLOYEES," passed Final Reading by a vote of 45 ayes to 5 noes, with Representatives Awana, Carroll, Choy, McKelvey and Nakashima voting no, and with Representative Cabanilla being excused.

Conf. Com. Rep. No. 125-12 and H.B. No. 2275, HD 2, SD 2, CD 1:

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2275, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HOSPITALS," passed Final Reading by a vote of 50 ayes, with Representative Cabanilla being excused.

Conf. Com. Rep. No. 129-12 and S.B. No. 2466, SD 2, HD 2, CD 1:

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2466, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO LONG-TERM CARE FACILITIES," passed Final Reading by a vote of 50 ayes, with Representative Cabanilla being excused.

At 1:14 o'clock p.m., the Chair noted that the following bills passed Final Reading:

S.B. No. 2323, SD 1, HD 1, CD 1
S.B. No. 2324, SD 1, HD 1, CD 1
H.B. No. 2495, HD 1, SD 1, CD 1
H.B. No. 2476, HD 1, SD 2, CD 1
H.B. No. 2275, HD 2, SD 2, CD 1
S.B. No. 2466, SD 2, HD 2, CD 1

Conf. Com. Rep. No. 133-12 and H.B. No. 1838, SD 1, CD 1:

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1838, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO STATE BONDS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 134-12 and H.B. No. 2684, HD 2, SD 2, CD 1:

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2684, HD 2, SD 2, CD 1, pass Final Reading, seconded by Representative Evans.

Representative Awana rose in support of the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Awana's written remarks are as follows:

"Mr. Speaker, I rise in support. This measure is a step in the right direction to encourage ride sharing and carpooling by looking into a feasibility study for an extended zipper lane in the Leeward Coast. Traffic continues to plague commuters and HB2684 is a step in the right direction. For this reason, I rise in support."

Representative Har rose in support of the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Har's written remarks are as follows:

"Mr. Speaker, I rise in strong support of HB2684 HD2 SD2 CD1, an important bill relating to the zipper lane. The intent of this measure is to extend the zipper lane westward from Waipahu toward Kapolei, west of

the Kunia on-ramp. As a Representative of the Leeward side, my constituents and I experience first-hand the burden of spending hours driving to and from town every day. House Bill 2684 addresses the State's considerable traffic congestion problem in West Oahu. A zipper lane providing access to West Oahu will be effective in reducing traffic, providing an incentive to carpool, and addressing the projected growth in the area. This bill is overdue, and I thank the representative from Waianae for introducing this measure.

"For these reasons, Mr. Speaker, I stand in strong support."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2684, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ZIPPER LANE," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 135-12 and H.B. No. 283, HD 1, SD 2, CD 1:

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 283, HD 1, SD 2, CD 1, pass Final Reading, seconded by Representative Evans.

Representative Tsuji rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Tsuji's written remarks are as follows:

"This bill protects Hawaii's coffee industry and coffee agricultural assets from invasive species by funding a program to control and eradicate the coffee berry borer (CBB), which would include the destruction of feral coffee trees. The CBB continues to plague many of Hawaii's coffee-growing areas, and its spread needs to be prevented and its presence must be eliminated. This will likely be a long process, but it is necessary to protect this unique and important local crop. I urge my colleagues to support it."

Representative McKelvey rose to speak in support of the measure, stating:

"Mr. Speaker, I am in strong support."

Representative Jordan rose and asked that the Clerk record a no vote for her, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 283, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO STATE FUNDS," passed Final Reading by a vote of 50 ayes to 1 no, with Representative Jordan voting no.

Conf. Com. Rep. No. 136-12 and H.B. No. 1942, HD 2, SD 2, CD 1:

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 1942, HD 2, SD 2, CD 1, pass Final Reading, seconded by Representative Evans.

Representative Tsuji rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Tsuji's written remarks are as follows:

"This bill implements the Department of Agriculture's Electronic Importer Manifest Program. The Manifest Program provides for an importer to transfer data to the plant quarantine inspector regarding commodities of interest being imported by aircraft or ship arrival. In doing so, it helps make the State's import system more efficient with better flow through our ports and reduced congestion at harbors and airports. We need every advantage when responding to a threat- perceived or real- in Hawaii-bound cargo. This is a time-sensitive procedure and the Manifest Program is a key tool towards that end."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1942, HD 2, SD 2, CD 1,

entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 137-12 and H.B. No. 1943, HD 2, SD 2, CD 1:

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 1943, HD 2, SD 2, CD 1, pass Final Reading, seconded by Representative Evans.

Representative Tsuji rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Tsuji's written remarks are as follows:

"This bill provides funds for detector-dog inspector positions under the Department of Agriculture. The Hawaii Detector Dog Program (HDDP), which began in November 1989, was shutdown at the end of June 2009. However, the Coordinating Group on Alien Pest Species (CGAPS) Vision and Action Plan recently listed the re-establishment of HDOA's detector dog program as one of the ten most important actions that must be taken to protect Hawaii.

"Guam's build-up and Asia's increased importance in trade and military matters means that we are increasingly vulnerable to invasion by brown tree snake and other pest species. There is no 100% inspection of cargo and conveyances that are bound for Hawaii. We must take responsibility for protecting our shores and the HDDP is an effective way of doing so."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1943, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO INVASIVE SPECIES," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 139-12 and H.B. No. 1953, HD 1, SD 1, CD 1:

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 1953, HD 1, SD 1, CD 1, pass Final Reading, seconded by Representative Evans.

Representative Cullen rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Cullen's written remarks are as follows:

"Mr. Speaker, I rise in support of HB1953, which provides funds to increase the on-call availability of emergency medical and ambulance services on the Leeward Coast of Oahu – an aid that has been put in jeopardy with the closing of Hawaii Medical Center-West.

"With the greater burden now placed on the City and County of Honolulu's medical services division to respond to the emergency calls, the increased workload threatens the ability of the division to provide acceptable and adequate levels of emergency medical services to Leeward communities. Appropriating the sum of \$1 million for the fiscal year of 2012-2013 would extend emergency medical services and ambulance services in Ewa Beach to 16 hours a day and in Nanakuli to 24 hours a day.

"This will be a great and welcomed asset to our community and our State."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1953, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EMERGENCY MEDICAL CARE," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 141-12 and H.B. No. 1755, HD 2, SD 2, CD 1:

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 1755, HD 2, SD 2, CD 1, pass Final Reading, seconded by Representative Evans.

Representative Ching rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. I rise with reservations. Mr. Speaker, I have serious concerns that this bill could lead to fraud in voter registration. Nowadays we transact many kinds of business online. We get car insurance quotes, pay credit card balances, access medical history. And many have come to rely on the convenience of doing things online. I'm not against doing things in a technologically advanced way.

"The proponents of this bill say it's only natural that our State should transition to online voter registration; it's inevitable. I think that perhaps if online voter registration gets more people to come out, register to vote, that too is a good thing. If it makes the process quicker, easier for voters, that's a positive thing. And I understand that this bill would make online voter registration optional, not mandatory.

"But my concern is that the bill does not provide for enough safeguards. Safeguards against hacking and fraudulent use of the online system. We have all heard the horror stories. In fact, we focused on cyber crime, didn't we, earlier this Session. Stories about computer hackers stealing money from online bank accounts. Or identity thieves getting their hands on personal information stored online. And online voter information stored online would be no less immune to data security breaches or misuse. The bill only indicates that the information provided by the applicant would be confirmed through existing information in government databases associated with government issued identification, including the applicant's signature.

"But that confirmation, that match, does not actually verify that the person who is applying online is really who they say they are. A dishonest person could go online. They could create a new voter registration in someone else's name, perhaps a friend or relative that's never before registered to vote or is out of State. That dishonest person could request and absentee ballot and vote by mail. There would be no way to verify that person. No way to verify who voted by absentee ballot. Is that that same person whose name is that the voter registration created? Even the name and the signature on the voter registration absentee ballot and the drivers license, even if they all match up, that doesn't prove everything. If one of those items was fraudulently obtained in the first place.

"So if a dishonest person voted in person at a polling place, there would still be no way to verify that they are the same person whose name the voter registration was created for. Currently there is no uniform requirement that voters at polling places actually show a photo ID to confirm their identity. In our democratic society, it's especially important that our voter registration records be accurate, up-to-date, but also tamperproof. And so for these reasons I'm voting with strong reservations. Because the current version of the bill does not assure us that the integrity of the voter registration process, ultimately our election process, will be protected.

"We've seen a lot of things happen online, and I think there are still situations where people are on lists, where they've either passed away or no longer live there. There is. And this could only exacerbate it. Thank you."

Representative Fontaine rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Pine rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Marumoto rose in support of the measure with reservations and asked that the remarks of Representative Ching be entered into the Journal as her own, and the Chair "so ordered." (By reference only.)

Representative Johanson rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Keith-Agaran rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Keith-Agaran's written remarks are as follows:

"Thank you, Mr. Speaker. I stand in support of this measure which updates voter registration laws, including authorizing the acceptance of electronic applications to register to vote. This measure applies to all primary, special, nonpartisan, and general elections, beginning with the primary election of 2016. The Governor returned a similar bill at the end of last Session because there was no funding for the initiative. Let me thank the Office of Elections for re-introducing this bill this year and I would note this measure includes an appropriation of \$500,000 for the purpose of planning and designing an online voter registration system. Any remaining funds may be used to implement the online voter registration system.

"As those who were entrusted with responsibility by the voters, we have a particular duty to see that those eligible can vote. This measure will make bring the registration system in to the twenty-first century and make registration much more convenient to a large number of people.

"Voting is the basis of democratic governance. With a range between 35% and 40%, Hawaii ranks near the bottom of the nation in its percent of citizens eligible to vote who turn out to vote. Moreover, turnout among the young is particularly low. If the young do not register and get in the habit of voting, elections will only become less and less representative of the State's population in the future. Steps need to be taken to encourage voting. Since use of the internet is widespread, particularly among the young, this measure should help increase registration and open voting to those who have so far been least likely to vote.

"The use of government issued identification which can be checked by election officials to obtain a signature and validate identity means that contrary to critics, on-line registration will be as secure as in person registration."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1755, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO VOTER REGISTRATION," passed Final Reading by a vote of 51 ayes.

At 1:23 o'clock p.m., the Chair noted that the following bills passed Final Reading:

H.B. No. 1838, SD 1, CD 1
H.B. No. 2684, HD 2, SD 2, CD 1
H.B. No. 283, HD 1, SD 2, CD 1
H.B. No. 1942, HD 2, SD 2, CD 1
H.B. No. 1943, HD 2, SD 2, CD 1
H.B. No. 1953, HD 1, SD 1, CD 1
H.B. No. 1755, HD 2, SD 2, CD 1

At 1:23 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 1:23 o'clock p.m.

At this time, the Chair announced:

"Members, at this time we will recess for lunch. We will return, please, at 2:15. At 2:15, please be back in the Chambers. Thank you, very much."

At 1:24 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 2:23 o'clock p.m., with Speaker Say presiding.

At 2:24 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 2:25 o'clock p.m.

At this time, the Chair announced:

"Members, we are on page 12 of the Order of the Day. We will take Conf. Com. Rep. No. 152-12 out of order."

Conf. Com. Rep. No. 152-12 and H.B. No. 2404, HD 1, SD 2, CD 1:

Representative Chong moved that notwithstanding the recommendations contained in Conference Committee Report No. 152-12, that H.B. No. 2404, HD 1, SD 2, CD 1, be recommitted to the Committee on Conference, seconded by Representative Evans.

The motion was put to vote by the Chair and carried, and H.B. No. 2404, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC INFORMATION," was recommitted to the Committee on Conference, with Representatives Awana, Brower, Chang, Ito and Takumi being excused.

Conf. Com. Rep. No. 143-12 and H.B. No. 2883, HD 2, SD 2, CD 1:

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2883, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO MAKAHA VALLEY," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 145-12 and H.B. No. 2319, HD 2, SD 1, CD 1:

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2319, HD 2, SD 1, CD 1, pass Final Reading, seconded by Representative Evans.

Representative Ward rose to speak in support of the measure, stating:

"Mr. Speaker, I rise in strong support. Mr. Speaker, this is a bill that puts its money where its mouth is. This is one of the things I called for in my earlier speech when I was bemoaning the budget as rather than growing the pie, we were cutting it slimmer and trimmer. We need to diversify, and Mr. Speaker, this is one of those areas that we can, at least in the area of high tech, with this accelerator, try to put more. We're not going to be Silicon Valley overnight.

"But if this works in the baby steps that are outlined in this bill, to give mentors, to give venture capital or accelerator capital, to give all that is needed for either establishment or taking off for what otherwise will be used in the next bill which I will also speak enthusiastically about, aerospace, high tech, etc. We will have gained an industry by which our kids won't have to go to the mainland in order to get a job. We'll have the STEM people right here, and this is one of the things to link some smart people of the University of Hawaii with the people on Bishop Street. We can hire people. And we can do much of what otherwise we have not done."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2319, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ECONOMIC DEVELOPMENT," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 146-12 and H.B. No. 2873, HD 2, SD 2, CD 1:

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2873, HD 2, SD 2, CD 1, pass Final Reading, seconded by Representative Evans.

Representative Ward rose to speak in support of the measure, stating:

"Mr. Speaker, continuing with my enthusiasm of support, this is a line in the sand for truly, truly diversifying the economy. This is an opportunity for Hawaii to not only get into the space business. It's the ability to privatize what otherwise is international space exploration, which heretofore no one in the nation has really a corner on. As I have said many times on the Floor, NASA is in love with the Big Island. NASA sees the moon as the future of this nation, space travel. In fact many parts of the world see the Big Island as the incubator, if you will, for survival outside of the earth's atmosphere.

"Mr. Speaker, this is going to be a good one. By putting DBEDT and Hilo in a partnership in having the international lunar research park, of which already Google Lunar X PRIZE, NASA and other groups have already expressed serious interest in, and some are, I would think according to Jim Crisafulli, ready to come here with enthusiasm, after we pass this piece of legislation.

"Heretofore, Mr. Speaker, we have been a little bit of a hard customer, so to speak. We kind of play hard to get. This finally is the commitment that we need, and this is the commitment that can take us into an extremely out-of-this-world economic diversification. Thank you, Mr. Speaker."

Representative Herkes rose to speak in support of the measure, stating:

"Thank you. In support, Mr. Speaker. For the benefit of the Members, I've had some discussions with Buzz Aldrin on this issue, and he's in very, very strong support. For those of you that were here in 2000, and had the opportunity to meet him when he addressed this House."

Representative M. Lee rose to speak in support of the measure, stating:

"Mr. Speaker, in strong support. I just wanted to note that I would like to go to the moon."

Representative McKelvey rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. In strong support. Just real quickly, I just want to actually thank the members of the Big Island delegation, both Senate and House, because without their help and effort, this would not be possible. And while that is the incubator for aerospace and part of the research component to which the potential with Alaska, and manufacturing launch component. The other great thing about this, this helps to live with the green, sustainable, well-paying jobs we've heard and talked so much about. It created a driver for the State by using the benefits of an area.

"What's really exciting is, this is an industry where millions will be committed in keeping the area environmentally pristine and untouched. And to get that kind of win these days is really important. So for all those reasons, I stand in strong support. And again thank you to the Big Island members of the delegation, Senate and House for their support and work on this bill. Thank you."

Representative Nakashima rose to speak in support of the measure, stating:

"Mr. Speaker, thank you. In support. I'd like to extend my congratulations and thanks to the Economic Revitalization Chair, and the Chair of Higher Ed, for their hard work on this measure."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2873, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE PACIFIC INTERNATIONAL SPACE CENTER FOR EXPLORATION SYSTEMS," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 153-12 and H.B. No. 304, HD 1, SD 1, CD 1:

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 304, HD 1, SD 1, CD 1, pass Final Reading, seconded by Representative Evans.

Representative Ching rose to disclose a potential conflict of interest, stating:

"Thank you, Mr. Speaker. I'd like to ask for a ruling on a potential conflict. My daughter is a student at Ballet Hawaii," and the Chair ruled, "no conflict."

Representative Ching continued to speak in support of the measure, stating:

"Thank you. In strong support. A number of good things in here I'm very happy to see including Palama Settlement and a number of other worthy organizations across the State. Thank you."

Representative Belatti rose to disclose a potential conflict of interest, stating:

"Thank you, Mr. Speaker. I also would like to stand up with a potential conflict. My daughter also attends Ballet Hawaii. Thank you," and the Chair ruled, "no conflict."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 304, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO STATE FINANCES," passed Final Reading by a vote of 51 ayes.

Conf. Com. Rep. No. 155-12 and S.B. No. 2778, SD 1, HD 1, CD 1:

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2778, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR EARLY CHILDHOOD HEALTH," passed Final Reading by a vote of 51 ayes.

At 2:32 o'clock p.m., the Chair noted that the following bills passed Final Reading:

H.B. No. 2883, HD 2, SD 2, CD 1
H.B. No. 2319, HD 2, SD 1, CD 1
H.B. No. 2873, HD 2, SD 2, CD 1
H.B. No. 304, HD 1, SD 1, CD 1
S.B. No. 2778, SD 1, HD 1, CD 1

Conf. Com. Rep. No. 156-12 and S.B. No. 2424, SD 2, HD 2, CD 1:

Representative Chong moved that the report of the Committee be adopted, and that S.B. No. 2424, SD 2, HD 2, CD 1, pass Final Reading, seconded by Representative Evans.

Representative Thielen rose to speak in opposition to the measure, stating:

"Thank you. Mr. Speaker. I'm rising to speak against the measure. Mr. Speaker, the Transportation Chair sent an email out to all of us. I'm not sure in just the rush to get ready for this closing day, if Members took a look at that email. But what the head of Talent HR Solutions is stating is, this bill is actually going to put the small PEOs, Professional Employer Organizations, out of business. So this isn't just a job killer, it's a company killer and a job killer with it.

"Mr. Speaker, I would like to call for a brief recess so we could discuss this just for a minute before we move ahead with this measure."

At 2:33 o'clock p.m., Representative Thielen requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 2:38 o'clock p.m.

Representative Thielen continued, stating:

"Thank you, Mr. Speaker. Thank you for that recess. Mr. Speaker, I'm really concerned about this. The DCCA informed us of this Talent HR Solutions, that more than 15 complaints have come in from small PEOs for this excessive bond requirement. Now here's the key language. None of the smaller PEOs were informed about, I guess about the bill, so we could present this alternate view. If such a bill is passed in its present form and the Governor was to sign the bill, the net effect would be to create two or three large monopolies. And basically this company will go out of business, along with probably the other 15 smaller PEOs and all of those employees. So in one fell swoop, trying to do something that may be a good idea, but isn't in the way that it is structured, we're going to be shutting down 15 businesses and putting all the employees that work for those businesses out of work.

"So I really would ask Members to look at this and say, the idea may be good. We want to protect companies. But let's look at doing it in a better way and do that next year. Let's not do this. Thank you."

Representative Rhoads rose to speak in support of the measure, stating:

"Mr. Speaker, in support. There was no testimony at the Labor Committee or anywhere else that I'm aware of that gave any evidence that 15 companies were going to go out of business if we pass this bill. On the contrary, what this bill is designed to do is protect companies who use PEOs. If you use a PEO as a small business or even a medium sized business, and one of those PEOs absconds with your payroll for a month or two weeks, that is a major blow to any business that's even close to the edge. What we're trying to do in this bill is to protect businesses many of whom use PEOs. The bill is graduated so that smaller PEOs have a smaller bonding requirement and a smaller re-registration requirement.

"In addition, the final point I would make is that this bill went through many, many iterations, both in the hearing process and at Conference. The first I saw of any opposition from the smaller PEOs that I recall, I mean it's been a long a Session, but the only one I recall was this morning. And if you're not going to participate in the process until a few hours before the final vote, it's very difficult to calculate that into anyone's legislative amendments.

"But having said that, there is a sliding scale for small companies. But there are two sources of potential danger here. One is putting somebody out of business directly. But the other one is, if one of these companies takes off with payroll, it's a huge blow for any company. Thank you."

Representative Herkes rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Herkes' written remarks are as follows:

"The Legislature recognizes that professional employer organizations (PEOs) provide a valuable service to commerce and the citizens of Hawaii. PEOs deliver this important service through increasing the opportunities of small business employers to develop cost-effective methods of satisfying their employment-related requirements. Importantly, PEOs provide employees with access to employment benefits which might otherwise not be available to them and helping to ensure greater compliance with employer requirements.

"The intent of this legislation is to create a registration program for PEOs operating in the state and to address employee benefit coverage and reporting requirements for both PEOs and to those small businesses they provide services. The intent of SB 2424 is to retain employer responsibility at the client level and to allocate certain administrative responsibilities to the PEO only during the term of the agreement. This allocation is achieved by recognizing that the PEO is, during the period it is providing services to each individual client, responsible for certain employer responsibilities including unemployment insurance, workers' compensation (and that the exclusive remedies of Chapter 386 shall apply to both the client and the professional employer organization) temporary disability insurance, and prepaid health care coverage.

"It is the intent of SB 2424 to only assign to the PEO administrative responsibilities and that all other duties and responsibilities shall remain those of the clients' business activity remain those of the client."

Representative Marumoto rose to speak in opposition to the measure, stating:

"Thank you very much, Mr. Speaker. I'm voting no on this particular measure. I think I've been fairly consistent voting no in Committee and on Third Reading on this Senate Bill. I was a little bit upset about it. Let me first say, I think it might be a good idea to have bonding requirement, because then, if somebody does abscond with money, the business might be able to retrieve some of their money. But on the other hand, this puts the entire industry, the PEOs, under one department. And usually businesses are under DCCA, and maybe inspected by the Labor Department. But this puts everything under Labor, so Labor becomes in effect the judge, the jury, the hangman, if need be.

"There are only a few PEOs in the State. A couple big ones, and I'll mention them by name, ALTRES and ProService. They may handle maybe half the employees in the State. They cover businesses with half the employees. The other half is many small, a dozen or two, very small businesses. The fees are so high that if there are 500 or more employees that you cover, and let's say 5 or 10 businesses, your fee will be \$10,000 for the biennium. Just for registration. So I think it might be a problem. It's also problematical for new businesses who want to get started. Very high registration fees.

"So I worry that some of the language in the bill might make the PEO the employer for too many functions, and then the PEO may have all the liability for that particular area. So I haven't read the bill word for word, but it's just that I'm totally opposed to everything being under one department and the fees being very high. Thank you."

Representative McKelvey rose in support of the measure and asked that his written remarks, and the remarks of Representative Rhoads be entered into the Journal as his own, and the Chair "so ordered." (By reference only.)

Representative McKelvey's written remarks are as follows:

"The Legislature recognizes that professional employer organizations (PEOs) provide a valuable service to commerce and the citizens of Hawaii. PEOs deliver this important service through increasing the opportunities of small business employers to develop cost-effective methods of satisfying their employment-related requirements. Importantly, PEOs provide employees with access to employment benefits which might otherwise not be available to them and helping to ensure greater compliance with employer requirements.

"The intent of this legislation is to create a registration program for PEOs operating in the state and to address employee benefit coverage and reporting requirements for both PEOs and to those small businesses they provide services. The intent of SB 2424 is to retain employer responsibility at the client level and to allocate certain administrative responsibilities to the PEO only during the term of the agreement. This allocation is achieved by recognizing that the PEO is, during the period it is providing services to each individual client, responsible for certain employer responsibilities including unemployment insurance, workers' compensation (and that the exclusive remedies of Chapter 386 shall apply to both the client and the professional employer organization) temporary disability insurance, and prepaid health care coverage.

"It is the intent of SB 2424 to only assign to the PEO administrative responsibilities and that all other duties and responsibilities shall remain those of the clients' business activity remain those of the client."

Representative Souki rose to speak in opposition to the measure, stating:

"Mr. Speaker, as I circulated the letter, and I still feel the same, I would want to vote no on this measure. It's a very harsh penalty that I think has been set upon these relatively small professional employment operators. If you're from 200 to 1,000, your monthly requirements, according to the

letter that I got, goes up to \$500,000. You have to also put \$500,000 in collateral. Which means that's money that's tied up in there. It's collateral. Then you go to a surety company to get a letter of credit, and you have to pay interest over there, 1 3/4 to 2% or so. Then after you get that and then you go to the bonding company with a letter of credit for the \$500,000, because you got your collateral in there, so they'll charge you an additional 2%.

"What I'm hearing from the small businesses, and if you can allow me, I know that it's in the late hour, the Chairman was correct. It's a late hour. It was in the 12th hour when they came over to see me. But there's got to be some truth to all of this here. They're saying that that \$500,000 is what they can make in profit. But if they're going to be tying that cash up, they'll go bankrupt. And I don't think they would be lying to me, because this letter has been spread to all of you. You all got the letter. I don't know if you took the time to read it. But what it means in effect is that, a number of small businesses will be going out. And I think we have enough of a reputation for being anti-business. We don't want to be any more.

"What I say is, let's put this bill down. Come back next year and try and clean it up. I understand why the regulations are a little tougher, because, from what I'm understanding, one of the smaller companies took off with the wages from a company that they were supposed to be taking care of. And there's a trust relationship here. So I can understand why they quickly come for strengthening the regulations. But if you're going to do that and hurt the rest of the companies, then strengthen but don't overkill. I think this bill is an overkill. So I request that Members, let's put this bill down, come back next year, work with the Chairman, and come up with a better bill. Thank you, very much."

Representative Fontaine rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Ching rose to speak in opposition to the measure, stating:

"In opposition. And asking that the words of the Speaker Emeritus be entered as my own, and additional written comments. I just want to say, PEOs, they provide temporary, short-term regular staff for the firms that experience spikes in their workload, have seasonal increases such as the retailers that work the holidays, or who are too small to handle extensive paperwork associated with having employees on the payroll. They need our help. Thanks."

Representative Ching's written remarks are as follows:

"Mr. Speaker, I rise to express reservations about SB 2424, a bill that would place heavy financial and regulatory burdens on Professional Employer Organizations (PEOs).

"PEOs provide important services to our small and medium-sized businesses in the State. They help provide temporary, short term, or regular staff for firms that are experiencing spikes in their workload, have seasonal increases such as retailers during the holidays, or who are too small to handle the extensive paperwork associated with having employees on the payroll.

"This bill, would force all PEOs to pay hefty registration fees, rising as high as \$10,000 per company. The bill also places excessive bonding requirements on PEOs, which the smaller firms may well not be able to afford. The National Association of Professional Employer Organizations testified that the bonding levels in this bill are seriously out of line with what other states require.

"Mr. Speaker, at a time when Hawaii's economy is still fragile and we want more jobs for our residents, this bill may well result in the closure of some PEOs and make it harder for others to remain in business.

"This Legislature keeps talking about how they want to create jobs and help the economy, but your actions do the opposite.

"I will not oppose this bill because it helps implement provisions of Act 129 which we passed in 2010. But I believe in the long run, this bill will

be detrimental to employer organizations and the role they play in our State."

Representative Manahan rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Thielen rose to respond, stating:

"Thank you. Mr. Speaker. You know that something must be seriously wrong with this bill, because Speaker Emeritus and I are agreeing on something. So given that fact, I would ask you all to take a look at it, because we're going to shut down at least 15 companies with this measure. So Speaker Emeritus, I would like to have your words entered into the Journal as if they were my own. Please, I ask you all, let's not do that to these employees. Let's not do this. Thank you."

Representative Johanson rose in support of the measure with reservations and asked that his written remarks be inserted in the Journal, and the Chair "so ordered." [Note: Representative Johanson's vote was later recoded as a no vote.]

Representative Johanson's written remarks are as follows:

"Mr. Speaker, I rise in opposition to SB 2424 relating to professional employer organizations. I oppose this measure because these mandated registrations and regulations will probably put professional employment organization out of business. At a time when many of our constituents are unemployed or underemployed, I believe we should not create obstacles for job opportunities, and I believe this measure will do just that."

Representative Takai rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. First, I would like the words of the Chairman of Transportation entered into the Journal as if they were my own. I rise in opposition. Just briefly, I think all of us process things differently, and in my case I kind of take a look at this and do a quick risk analysis. It seems to me that it's riskier to move this bill forward, and it's just a little safer if we didn't. The risk of losing 15 or so small businesses versus the risk of waiting one additional year to fix a problem, to me is an issue that's quite easy to juggle. And in this case, I err on the side of caution, and I vote this bill down. Thank you."

Representative Awana rose in support of the measure with reservations and asked that the remarks of Representative Souki be entered into the Journal as her own, and the Chair "so ordered." (By reference only.)

Representative Rhoads rose to respond, stating:

"Mr. Speaker, still in support. I would just point out too, that the bonding requirement has been there since 2010, the \$250,000 bonding requirement. The other point I would make is that DLIR has oversight over most of the things that are covered in this bill anyway. So to argue that somehow DLIR should not be involved, and they're going to be involved because it covers prepaid health. It covers temporary disability insurance. It covers workers comp insurance. These are all things that are regulated by DLIR anyway. But I still, considering the fact that these companies have been subject to the \$250,000 bond already, if you read on page 16, section 7, you'll see that, in the words that are marked out, there is a \$250,000 bond requirement already in law. Thank you."

Representative Souki rose, stating:

"Mr. Speaker, in due respect to you, and to the Leadership and to the Chairman, I move that we recommit this measure, Senate Bill 2424."

At this time, Representative Souki moved to recommit S.B. No. 2424, SD 2, HD 2, CD 1, seconded by Representative Takai.

At 2:52 o'clock p.m., Representative Chong requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 2:54 o'clock p.m.

At this time, the Chair announced:

"I recognize it's late in the day. The Senate has already adjourned *sine die*, but for the House, this is your democratic House. At this point, the motion before this Body is the motion to recommit Senate Bill 2424, Senate Draft 2, House Draft 2, Conference Draft 1. Is there any discussion on the motion to recommit?"

Representative Ward rose, stating:

"Mr. Speaker, I think you said it as you explained what we are doing. You said this is your democratic House. The point of recommitment is to see the democracy as it is imperfect, has a way of, it's got a self-correcting mechanism. If we've done something prematurely, by not having a fully vetted discussion on this, recommitment will allow us to have that and not rush into something that otherwise could be very risky. So in the democratic spirit, thank you very much."

Representative Chong rose to speak in opposition to the motion to recommit, stating:

"Mr. Speaker, I speak against the motion to recommit. I ask the Members to vote against this, because I think if we were to recommit and kill this bill, I think it would remove the protections of the bill for small business. Thank you."

Representative Marumoto rose to speak in support of the motion to recommit, stating:

"Thank you, Mr. Speaker. I speak in favor of the motion to recommit. Mainly because we just got some information, rather late on this measure, which really caused many of us to have hesitancy and reluctance to vote for this measure. I feel very strongly that this will be damaging to the PEOs and the small businesses that they serve. Thank you."

Representative Thielen rose to speak in support of the motion to recommit, stating:

"Thank you. Mr. Speaker, in strong support of the motion to recommit. Mr. Speaker, think of the people that go to work and are appreciative of their job. Think of them being told by their employer, 'I'm sorry, we have to shut the company.'"

The Chair addressed Representative Thielen, stating:

"Representative Thielen. Representative Thielen, you are out of order. Representative Thielen, can you confine your remarks to the motion of the recommitment and the process. On the process."

Representative Thielen: "Well I'm saying ..."

Speaker Say: "On the process."

Representative Thielen: "Yes, I will. I'm saying the recommitment is so tremendously important, because we want to save jobs for those workers. And let's not put them out of work. Please. It needs to be recommitment to be relooked at, and come back in a way that won't be just a job killer, but a business killer too. Thank you."

Representative Ching rose to speak in support of the motion to recommit, stating:

"Thank you, Mr. Speaker. In strong support of the recommitment. I think that there are many people who sometimes just can't make it down here. They don't always know. But once they do find out, and we hear their voice, I think they may feel that we have good government. Thank you."

Representative Rhoads rose to speak in opposition to the motion to recommit, stating:

"In opposition. I just want to point out to you, Mr. Speaker, and the membership, that this bill has been considered by, it was a joint LAB/ERB referral, so there was one hearing there. There was another CPC/JUD,

another hearing there. And then a FIN referral as well. So a total of 5 Committees have looked at it in the House. In the Senate it was a joint CPN/JDL, and then it had a WAM referral as well. So we had a total of one, two, three, four, five, six, seven, eight Committees. And then about a week and a half of negotiation with the Senate, and the Department of Labor, and members of the PEO community have also been involved. I think it's pretty difficult to argue that this bill has not been thoroughly considered already. Thank you."

Representative Thielen rose to respond, stating:

"Mr. Speaker, in rebuttal. Mr. Speaker, this company said, none of the 15 ..."

Speaker Say: "Representative Thielen, confine your remarks."

Representative Thielen: "I'm responding. I'm rebutting to what the Labor Chair said."

Speaker Say: "Confine your remarks to the motion on the process to recommit. And that's what the Chair ..."

Representative Thielen: "I'm rebutting what he said. These companies weren't informed about it. No one reached out to say to them, we're considering legislation that might make it impossible for you to stay in business. The person here has testified."

Speaker Say: "Representative Thielen, we are not on the substance of the measure."

Representative Thielen: "No, but I'm responding to what you allowed him to say."

Speaker Say: "He talked about the process of the referral process, that it was vetted by 8 Committees."

Representative Thielen: "Fine, but those different Committees, Mr. Speaker, these people were not informed. He's acting as if the whole world knows what we're doing here. Well the whole world ..."

Speaker Say: "Representative Thielen, you are out of order."

Representative Thielen: "I'll try to become in order."

Speaker Say: "Confine your remarks to the motion to recommit. That's all it is."

Representative Thielen: "And may I do exactly what the Labor Chair did and discuss it as to who showed up and who didn't?"

Speaker Say: "At the process of the Committee hearings, yes."

Representative Thielen: "Okay, the process of the Committee hearings. The former speaker assumed that the public and the employers out there know all the time what we're doing in this Body. Many of them don't. The point is, we need to reach out to them to say, 'We're considering legislation that could jeopardize your business. Come in.' No one did that. These 15 companies never knew ..."

Speaker Say: "Representative Thielen ..."

Representative Thielen: "I'll stop there."

Speaker Say: "Representative Thielen, I disagree with you, because the ..."

Representative Souki rose, stating:

"Mr. Speaker, I call for the question."

The Chair then stated:

"Representative Souki, please. Let me tell the Members at this point, that the motion before this Body is to recommit. And none of you have the courage to call for a roll call, and the Chair is going to ask for a roll call vote. We're not going to do it by voice vote. It's going to be a roll call vote. So those who support the recommitment, will say 'aye' and those who oppose will say 'nay'."

"Before I begin, Madame Clerk, is that the proper way of this particular roll call? Or shall it be the motion to recommit, those who support the recommitment will have to say 'aye' and those who oppose the recommitment will have to say 'no'."

The Clerk responded, stating:

"That is correct, Mr. Speaker."

At this time the Chair called for a roll call vote, and the motion to recommit S.B. No. 2424, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PROFESSIONAL EMPLOYER ORGANIZATIONS," was put to vote by the Chair and failed to carry on the following show of Ayes and Noes:

Ayes, 20: Awana, Belatti, Brower, Ching, Fontaine, Giugni, Hanohano, Johanson, Kawakami, C. Lee, Luke, Marumoto, Morikawa, Riviere, Saiki, Souki, Takai, Thielen, Ward and Wooley.

Noes, 30: Aquino, Cabanilla, Carroll, Chang, Chong, Choy, Coffman, Cullen, Evans, Har, Hashem, Herkes, Ichiyama, Ito, Jordan, Keith-Agaran, M. Lee, Manahan, McKelvey, Mizuno, Nakashima, Oshiro, Pine, Rhoads, Say, Takumi, Tokioka, Tsuji, Yamane and Yamashita.

Excused, 1: Nishimoto.

(Main Motion)

Representative Manahan rose to speak in support of the measure with reservations, stating:

"Mr. Speaker, I just wanted to let the Body know and let the record reflect that I voted no on the recommitment because I do believe that the bill went through its due process. It did go through all the Committees. And those concerns are coming to us very late in the process. But I have reservations in hopes that maybe the Administration could take a look and work with the concerned parties before they implement it. And maybe, if need be, then we can come back and reconsider it next year. Thank you."

Representative Marumoto rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker, I'd like to speak in opposition to this measure. I had mentioned earlier that the small businesses that PEOs serve, I guess they're also called employee leasing companies, are very helpful to small business. Like, some small businesses, they just don't want to be saddled with all the problems of paying the withholding and all the taxes, and doing the paperwork regarding the payroll. Perhaps you use one yourself, Mr. Speaker, unless you could afford somebody to do this specifically in your business. But there are so many labor laws, and you run a hazard when you hire people, fire people, so that it's good to have someone with the necessary expertise to help you out."

"Also, PEOs assist in obtaining insurance, maybe the best rates for all the insurance policies that you have to carry if you're a small business. So if a lot of these small businesses go out, then we're hurting the small businesses. And so this one, this particular bill, calls for registration fees, biennially. If you handle a business with 500 or more employees, you're paying \$10,000 for registration. From 251 to 499, you will pay \$5,000. 100 to 250 covered employees, \$3,000. And then if you cover only 0 to 100 employees, let's say you have a business, you do it for a business, your brother-in-law's or something, there's only 5 employees, you're paying \$2,500. So folks, we should vote this down. Thank you."

Representative Ward rose to speak in opposition to the measure, stating:

ROUGH DRAFT

"Mr. Speaker. Briefly in opposition, Mr. Speaker. We have a workforce of about 600,000 people, Mr. Speaker. I think covered under this bill, the PEOs are about 50,000 employees. That's maybe 10% of the workforce. If even half of these things get hit, that's a lot of people that this is under. We basically thank the Chair of Finance. We thank everybody that worked through the budget, and we came out looking good.

"Well, Mr. Speaker, it's because the private sector paid wages which people pay taxes on. It's the private sector that paid the GE Tax, etc., that we're here today with our noses above water. So if we want to harm the goose that lays the golden egg, we have to be aware of what we're doing. If this is almost 10% of the labor force, why do you want to mess around with them? Because one company absconded with the payroll. You don't take a shotgun to kill a fly, Mr. Speaker. That's my point.

"I'll go back to the gentleman who drives the electric car, who said, if this is premature, if we err on the side of caution, we will not pass this now. The point is, Mr. Speaker, what we're going to get out of this is riskier than what we're going to get if it goes through. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2424, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PROFESSIONAL EMPLOYER ORGANIZATIONS," passed Final Reading by a vote of 31 ayes to 19 noes, with Representatives Belatti, Ching, Fontaine, Giugni, Hanohano, Har, Johanson, Kawakami, Luke, Marumoto, Morikawa, Pine, Riviere, Saiki, Souki, Takai, Thielen, Ward and Wooley voting no, and with Representative Nishimoto being excused.

Conf. Com. Rep. No. 158-12 and S.B. No. 2939, SD 1, HD 1, CD 1:

Representative Chong moved that the report of the Committee be adopted, and that S.B. No. 2939, SD 1, HD 1, CD 1, pass Final Reading, seconded by Representative Evans.

Representative Ching rose in support of the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Ching's written remarks are as follows:

"Mr. Speaker, I rise in strong support of SB 2939 CD1 which authorizes \$80 million in special purpose revenue bonds for St. Francis Healthcare System of Hawaii. This bill provides us [the community and its leaders] with an option when looking to address the loss of HMC, and its services.

"Mr. Speaker, when we started this Session, I made it my number one priority to help remedy the dire situation brought about by the bankruptcy and closure of Hawaii Medical Center East in Liliha. Losing this hospital was tragic for the residents of my district and the State of Hawaii, but I am pleased today to see it rising from the ashes.

"The St. Francis legacy began in 1883 when Mother Marianne Cope and six sisters of St. Francis arrived in Hawaii to work with Hansen's Disease patients at the request of King Kalakaua. In 1927, the sisters started their first hospital. In 1929, they began Hawaii's first organ transplant program. In 1988, St. Francis began operating the first official hospice program in Hawaii. And, in 1990, St. Francis opened the only major medical facility in West Oahu.

"As you can see from their history, St. Francis has been consistently filling healthcare needs in our community, and this bill will help them continue to serve the people of Hawaii, particularly the residents of Liliha.

"Special thanks are due for this monumental measure. First, I would like to pass the Chair of Health for his tireless work for our hospitals this Session. I would also like to thank the Healthcare Association of Hawaii, Queen's Health Systems, Hawaii Medical Association, Hawaii Catholic Conference and Laborers' Union Local 368 for their testimony in support of this measure.

"Finally, thank you, Mr. Speaker for all your support for our hospitals and St. Francis this Session."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2939, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST ST. FRANCIS HEALTHCARE SYSTEM OF HAWAII," passed Final Reading by a vote of 50 ayes, with Representative Nishimoto being excused.

Conf. Com. Rep. No. 161-12 and S.B. No. 2435, SD 1, HD 1, CD 1:

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2435, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO INFORMATION ACCESS," passed Final Reading by a vote of 50 ayes, with Representative Nishimoto being excused.

Conf. Com. Rep. No. 163-12 and S.B. No. 2261, HD 1, CD 1:

Representative Chong moved that the report of the Committee be adopted, and that S.B. No. 2261, HD 1, CD 1, pass Final Reading, seconded by Representative Evans.

Representative Aquino rose to disclose a potential conflict of interest, stating:

"I request a ruling on a potential conflict. I work for a non-profit that serves as the fiscal agent for Weed and Seed, but we don't oversee the operations. Thank you," and the Chair ruled, "no conflict."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2261, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE WEED AND SEED PROGRAM," passed Final Reading by a vote of 50 ayes, with Representative Nishimoto being excused.

Conf. Com. Rep. No. 164-12 and S.B. No. 112, SD 1, HD 1, CD 1:

Representative Chong moved that the report of the Committee be adopted, and that S.B. No. 112, SD 1, HD 1, CD 1, pass Final Reading, seconded by Representative Evans.

Representative Ward rose to speak in support of the measure, stating:

"Mr. Speaker, I rise in strong support of this measure. This is the measure that, as the Vice Chair of Finance said, she wants to go to the moon. Well, this is her opportunity, because this bill is literally to get us into the space port business. Mr. Speaker, some of us have waited four years for this to happen. It's an exciting time, because once a space port license is given, Mr. Speaker, this is going to connect very specific nodes of the United States and the rest of the world.

"Even though it's still a little bit of a science fiction, it is possible that with 35,000 feet in the air, at altitude, then with the rockets being shot, we can actually go from here to Tokyo in 45 minutes. That's in the long run. Right now, in terms of diversification of space, we could actually have tourists take these rides that get them up, and I think after 70,000 feet they glide down with the experience of weightlessness. This diversifies our visitor plan. It doesn't put anything at risk. It's environmentally sound. We could use the existing airport. This is simply to do the environmental study, crossing all the T's, dotting the I's, to make sure that this is kosher, so we can get into the diversification of which now there's only a handful of states by which this is possible. And the window of opportunity for us to do it is now, Mr. Speaker.

"So this is a great opportunity. It's a great bill. And it's going to change the face of tourism in the future. Thank you."

Representative McKelvey rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. In strong support. Just for some clarifications on this. First of all, to the Vice Chair of Finance's comment, this bill will not get you to the moon. That was PISCES. What this bill will do, though, is provide space tourism, which is basically flight within the earth's orbit,

both within the State of Hawaii, and eventually working with the State of New Mexico through their Spaceport America project, point-to-point travel. And of course that builds upon Japan as well.

"And it's not science fiction. Actually, it's a lot further along than people think. The match upon which this is predicated at \$250,000 is from the federal government, which has authorized this thing to move forward, to assist states like New Mexico and Hawaii to obtain these spaceport licenses. Unlike New Mexico, we don't have to build a billion dollar new facility. We have two airports already that can host these aircrafts. And this will be a way to integrate them into existing civilian traffic, as well as UAVs, and potentially working with Japan and Narita, I very well think that very soon, you could take off in Japan, 20 minutes, be in Hawaii, have lunch, do a business deal, and 20 minutes later be back in Japan just in time for dinner.

"So it's a lot further along than people think, you can google Virgin Galactic if you want to see some of the space planes that are already flying. And the timing is right, given what is happening in New Mexico. Of course this puts us in a great position among all space-faring nations. Thank you, very much."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 112, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TOURISM," passed Final Reading by a vote of 50 ayes, with Representative Nishimoto being excused.

Conf. Com. Rep. No. 168-12 and S.B. No. 2220, SD 1, HD 2, CD 1:

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2220, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE BOILER AND ELEVATOR SAFETY LAW," passed Final Reading by a vote of 49 ayes to 1 no, with Representative Marumoto voting no, and with Representative Nishimoto being excused.

At 3:13 o'clock p.m., the Chair noted that the following bills passed Final Reading:

S.B. No. 2424, SD 2, HD 2, CD 1
S.B. No. 2939, SD 1, HD 1, CD 1
S.B. No. 2435, SD 1, HD 1, CD 1
S.B. No. 2261, HD 1, CD 1
S.B. No. 112, SD 1, HD 1, CD 1
S.B. No. 2220, SD 1, HD 2, CD 1

Conf. Com. Rep. No. 171-12 and H.B. No. 2226, HD 2, SD 2, CD 1:

Representative Chong moved that the report of the Committee be adopted, and that H.B. No. 2226, HD 2, SD 2, CD 1, pass Final Reading, seconded by Representative Evans.

Representative M. Lee rose to speak in support of the measure, stating:

"Mr. Speaker. I am in support of this Women's Caucus measure and would like to insert written comments. Thank you."

Representative M. Lee's written remarks are as follows:

"Mr. Speaker, I rise in strong support of House Bill 2226, HD2, SD2, CD1 – Relating to an Automated Victim Notification System.

"This bill seeks to maintain an automated notification system in which the victim of a crime will be apprised of their attacker's custody status. It is a natural extension of the current Statewide Automated Victim Information and Notification System (SAVIN) that is administered by the Department of Public Safety. This measure will establish a service in which victims will be kept up to date on the status of their offender, from the point of arrest and incarceration through the time they are released and under supervision with the community.

"The SAVIN program, which receives federal funding through the Department of Public Safety, may be discontinued in 2012 due to lack of funds. This measure will provide for the continued operation of SAVIN by dedicating a special funding source, whose revenue will be generated by fees from inmate phone usage and from a 4% surcharge against inmate commissary purchases. So, HB2226 is a financially feasible means of protecting the public and ensuring victim's rights. It will not be necessary to "invent" additional sources of funding for this system.

"A portion of this bill addresses the overseeing of a notification system by a committee, to be made up of representatives from victim service agencies, victim witness assistance programs, and a victim or surviving family member. This Governance Committee will build rapport with the Department of Public Safety to ensure successful implementation of the automated notification system.

"Many Victim/Witness Counselors attest to the functionality of this notification system, stating that it offers tremendous piece of mind to victims of abuse. It allows such victims to regain some control over their lives by informing them of their attacker's custody status, thereby enabling them to prepare or protect themselves accordingly. An automated victim notification system poses an invaluable service to members of the community who have been victimized, or who know someone recuperating from a crime. It has afforded peace of mind to victims living in fear of their attacker.

"I urge your support of this bill, which will continue to support victims across the State."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2226, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AN AUTOMATED VICTIM NOTIFICATION SYSTEM," passed Final Reading by a vote of 50 ayes, with Representative Nishimoto being excused.

Conf. Com. Rep. No. 173-12 and S.B. No. 2545, SD 2, HD 2, CD 1:

Representative Chong moved that the report of the Committee be adopted, and that S.B. No. 2545, SD 2, HD 2, CD 1, pass Final Reading, seconded by Representative Evans.

Representative Takumi rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Takumi's written remarks are as follows:

"This measure is critical and its passage means that we are placing a higher priority on increasing access and improving the quality of our pre-school programs because it makes good educational and economic sense.

"Educationally, we know that the first five years of a child's life are the most critical to development. Children in quality early education programs typically perform better in school, display stronger reading skills and experience fewer disciplinary problems. An increasing number of states, six at last count, are establishing pre-kindergarten classes as part of their public education system.

"According to Good Beginnings Alliance, only 12 out of 20 students are well prepared as they enter kindergarten. For at-risk children, preschool programs can be the difference between failing or passing, regular or special education, and dropping out of or graduating from high school.

"The research is compelling: children who attend preschool or other early education programs have better cognitive, verbal, and social development and enter kindergarten better prepared.

"They also are less likely to exhibit later delinquency and antisocial behavior, tend to demonstrate higher levels of school achievement and better social adjustment, and are more likely to graduate from high school.

"A recent study on the Oklahoma universal pre-K program (available to all 4-year-olds) in 2003 showed that low-income students improved test

scores 26 percent, with Hispanic students having the greatest improvement with a gain of 54 percent.

"Economically, investing in human capital yields greater long-term benefits than any tax credit or subsidy that we typically hand out to developers and businesses.

"The Federal Reserve Bank of Minneapolis published a report in December 2004 that asserts there is an extraordinary public return on investing in early childhood development.

"One study it cited showed that the total benefit cost-ratio was \$17 for every dollar invested. In other words, funds that go into establishing these programs ultimately prove to be an investment as savings amass from a reduction in crime and welfare payments and an increase in economic productivity.

"Establishing early childhood programs builds upon the framework established by Act 51, the Reinventing Education Act of 2004 since it makes little sense to ignore the fact that children need to come to elementary school prepared to learn and ready to succeed."

Representative Hanohano rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Morikawa rose in support of the measure with reservations and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Morikawa's written remarks are as follows:

"My reservations are with the repeal of junior kindergarten programs at the end of the 2013-2014 school year. Communication needs to be clear with the affected parents for the children who are eligible for junior kindergarten in 2014 to ensure a seamless transition from the junior kindergarten program to the Keiki First Steps program in the 2014-2015 year."

Representative Takai rose in support of the measure with reservations and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Takai's written remarks are as follows:

"Thank you Mr. Speaker, I rise in support with reservations.

"This measure proposes to create the Executive Office on Early Learning. I don't have a problem with that. In fact, I support that because we need to address the issue of educating our young people. The concern that I have is really in section 3. And those of you unfamiliar with the bill, I'll just note that, that section proposes to eliminate the Junior Kindergarten, effective the 2014-2015 school year.

"Mr. Speaker, this is coming up because there was some misunderstanding, I believe on the part of the Department of Education. They had thought that we had eliminated Junior K last year. I had mentioned to them that I didn't think so. So I made a request to the Attorney General's Office, and in a response from the Attorney General dated December 14th, they clarified that in fact, Junior Kindergarten is alive and well in the Hawaii Revised Statutes.

"My concern is this. I do support elevating and requiring 5 year olds to start Kindergarten when they are 5. Those of you who have been here for quite awhile, know that I have been advocating this for most of my legislative career. I see no reason why our public schools should be no different from some of our best private schools in mandating that requirement. In fact, I think that part of our problem with competing not only on the State level, but also on the national level, is the fact that many of our children are one year younger than their counterparts in either in private schools or schools on the mainland. So we needed to make that change. We needed to mandate that children be 5 years old when they start kindergarten.

"The problem was implementation of Kindergarten and Junior Kindergarten a few years ago. And as the Chair of Education has noted on the Floor quite a few times, there is one-third of the schools that follow the mandate. There are one-third of the schools that didn't follow the mandate. And one-third of the schools that kind of did a hybrid where they basically put Kindergarteners and Junior Kindergarteners in the same room.

"My concern is that we needed to, or the Department of Education needed to, label the students appropriately. They're either Junior Kindergarteners, or Kindergarteners. Now this is not a big issue for many of you, but it is a big issue from my perspective, because just last year, we codified into law the Interstate Compact on Education for Military Children. And in that Compact it said that any child who starts a particular grade level, in a particular school, in a particular state, and then moves to another state, is allowed to transition at that grade level.

"With some of the schools, the one-third of the schools not following the requirements as set for bylaw, some of the kids were moving from Hawaii to other states, at a lower age. And that was a problem.

"The problem with this bill is that it entirely eliminates the Junior K program. Now some will argue that the bill also specifies that the Executive Office on Early Learning, by the 2014-15 school year have an implementation plan and projected financials in order to address the seamless transition of these Junior K kids. But I asked in Committee, what does that mean? What happens when they submit their implementation plan to the Governor, and the Governor submits it to the Legislature? What happens if the Legislature doesn't act? The answer was, these kids, these Junior Kindergarteners will have nowhere to go. And I don't believe that's our intent. Our intent is to create a seamless transition for these kids who are not 5 years old, come the 2014-15 school year. And this bill doesn't do it.

"I don't know if you've heard it, but I've heard it from a number of parents already in our communities, wondering what was going to happen to their kids, because their kids were going to be hopefully, going into the Junior Kindergarten program in 2014-2015. But now it's clear based on this bill, that they'll have nowhere to go. Thank you, Mr. Speaker."

Representative Marumoto rose in support of the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Marumoto's written remarks are as follows:

"Although this measure appropriates funds for early learning which is a meritorious goal, it fails to provide education for certain children before they are eligible for kindergarten. This leaves a wide, growing gap in the education of our most impressionable youngsters. We must address this gap next Session."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2545, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," passed Final Reading by a vote of 50 ayes, with Representative Nishimoto being excused.

Conf. Com. Rep. No. 175-12 and S.B. No. 2344, SD 2, HD 1, CD 1:

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2344, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE HAWAII HEALTH AUTHORITY," passed Final Reading by a vote of 50 ayes, with Representative Nishimoto being excused.

Conf. Com. Rep. No. 177-12 and S.B. No. 2678, SD 2, HD 2, CD 1:

Representative Chong moved that the report of the Committee be adopted, and that S.B. No. 2678, SD 2, HD 2, CD 1, pass Final Reading, seconded by Representative Evans.

Representative Ichiyama rose to disclose a potential conflict of interest, stating:

ROUGH DRAFT

"Mr. Speaker, a ruling on a potential conflict please. I'm a board member of the Japanese American Citizens League," and the Chair ruled, "no conflict."

Representative Har rose in support of the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Har's written remarks are as follows:

"Mr. Speaker, I rise in strong support on Conference Committee Report 177-12, Senate Bill 2678, Senate Draft 2, House Draft 2, Conference Draft 1. The purpose of this measure is to provide State support toward preservation of the site of the World War II internment and prisoner of war camp in Honouliuli and establish a Honouliuli park site project advisory group.

"During World War II, over one thousand Japanese Americans in Hawaii were detained solely because of their Japanese ancestry. While most detainees were sent to mainland internment camps, at least three-hundred remained interned in Honouliuli during the war without being officially charged for acts of espionage.

"Preservation of the Honouliuli Camp and plans for an educational resource center at the site will serve to inform current and future generations of an important time in Hawaii's history. As a Representative for the 40th District, I am honored to have the internment and prisoner of war camp site located in West Oahu at Honouliuli. With all of the development occurring in West Oahu these days, it is important to have a Honouliuli museum to preserve our culture and history.

"The Japanese Cultural Center of Hawaii, which will work with the Honouliuli park site project advisory group, has spent the past ten years collecting oral histories of former internees and their families. The oral histories the Japanese Cultural Center of Hawaii has prepared along with the proposed educational resource center at the Honouliuli site will provide visitors and *kama'aina* with a comprehensive look at Japanese Americans living in Hawaii during World War II, and ensure that this critical period in Hawaii's history is never forgotten.

"For these reasons, Mr. Speaker, I stand in strong support."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2678, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HONOUULIULI," passed Final Reading by a vote of 50 ayes, with Representative Nishimoto being excused.

Conf. Com. Rep. No. 178-12 and S.B. No. 2236, HD 2, CD 1:

Representative Chong moved that the report of the Committee be adopted, and that S.B. No. 2236, HD 2, CD 1, pass Final Reading, seconded by Representative Evans.

Representative Ching rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. Very quickly, I rise with some reservations on this bill. It's authorizing \$100 million in special purpose revenue bonds to a specific firm. But it perhaps is not supporting some other well thought out broadband deployment in Hawaii.

"The bill started out as a measure to clarify the membership of the information technology steering committee. Then it was changed to a sizable SPRB for Clearcom. While I fully support efforts to improve and expand broadband, access to residences and businesses of our State, I am concerned that other companies who already provide these services are not receiving the same support, while many testified that Clearcom may well duplicate existing services in the urban core.

"If the intent of this bill is to encourage more competition and choices in broadband access, then the Legislature could have proposed legislation creating open architecture standard for cabling that allows all firms, Verizon, Oceanic, Hawaiian Tel, AT&T, etc., to access the cable and

provide a full array of digital services. Therefore it is somewhat disappointing that we are again not establishing the level playing field to allow open market-based competition in providing what is becoming an essential public service – high speed broadband capability for residential and commercial customers. So for those reasons, I must vote with reservations on this measure. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2236, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO INFORMATION TECHNOLOGY," passed Final Reading by a vote of 50 ayes, with Representative Nishimoto being excused.

Conf. Com. Rep. No. 179-12 and S.B. No. 2958, SD 2, HD 2, CD 1:

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.B. No. 2958, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH," passed Final Reading by a vote of 50 ayes, with Representative Nishimoto being excused.

Conf. Com. Rep. No. 180-12 and S.B. No. 2804, SD 2, HD 2, CD 1:

Representative Chong moved that the report of the Committee be adopted, and that S.B. No. 2804, SD 2, HD 2, CD 1, pass Final Reading, seconded by Representative Evans.

Representative Ching rose to speak in support of the measure, stating:

"Mr. Speaker, in strong support."

Representative Jordan rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Cabanilla rose in support of the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Cabanilla's written remarks are as follows:

"Mr. Speaker, I stand in support of this measure because it addresses one of the State's pressing issues: homelessness.

"The establishment of an Interagency Council is a step in the right direction to begin addressing our homeless crisis. The bill also in a way is a safety measure. Setting up a safe facility is critical. A number of our homeless include children. They need to be protected, not just from the elements, but from predators. Homeless children are victims of circumstance and need protection.

"Moreover, Mr. Speaker, this bill will help homeless try to get back on track with educational programs. It is not enough to accommodate homeless with shelter if we can't help them improve their situation that made them homeless.

"Mr. Speaker, this bill is a good start to addressing homelessness in our State."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2804, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII INTERAGENCY COUNCIL ON HOMELESSNESS," passed Final Reading by a vote of 50 ayes, with Representative Nishimoto being excused.

At 3:19 o'clock p.m., the Chair noted that the following bills passed Final Reading:

H.B. No. 2226, HD 2, SD 2, CD 1
S.B. No. 2545, SD 2, HD 2, CD 1
S.B. No. 2344, SD 2, HD 1, CD 1
S.B. No. 2678, SD 2, HD 2, CD 1
S.B. No. 2236, HD 2, CD 1
S.B. No. 2958, SD 2, HD 2, CD 1

S.B. No. 2804, SD 2, HD 2, CD 1

FINAL READING

Representative Chong moved to agree to the amendments made by the Senate to the following House Bill, seconded by Representative Evans and carried: (Representative Nishimoto was excused.)

H.B. No. 2681, HD 1, (SD 1)

H.B. No. 2681, HD 1, SD 1:

On motion by Representative Chong, seconded by Representative Evans and carried, H.B. No. 2681, HD 1, SD 1, entitled: "A BILL FOR AN ACT RELATING TO ELECTRIC GUNS," passed Final Reading by a vote of 50 ayes, with Representative Nishimoto being excused.

At 3:21 o'clock p.m., the Chair noted that the following bill passed Final Reading:

H.B. No. 2681, HD 1, SD 1

REPORTS OF STANDING COMMITTEES

Representative Tsuji, for the Committee on Agriculture presented a report (Stand. Com. Rep. No. 1826-12) recommending that S.C.R. No. 67, SD 1, be adopted.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.C.R. No. 67, SD 1, entitled: "SENATE CONCURRENT RESOLUTION RECOGNIZING THE HAWAII AGRICULTURE RESEARCH CENTER FOR ITS BENEFITS TO THE AGRICULTURE INDUSTRY AND URGING THE HAWAII AGRICULTURE RESEARCH CENTER TO ESTABLISH THE PROPOSED KUNIA AGRICULTURE PROCESSING AND SALES CENTER," was adopted, with Representative Nishimoto being excused.

Representative Tsuji, for the Committee on Agriculture presented a report (Stand. Com. Rep. No. 1827-12) recommending that S.C.R. No. 89, SD 1, be adopted.

On motion by Representative Chong, seconded by Representative Evans and carried, the report of the Committee was adopted and S.C.R. No. 89, SD 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE AUDITOR TO CONDUCT A MANAGEMENT AUDIT OF THE MEASUREMENT STANDARDS BRANCH OF THE DEPARTMENT OF AGRICULTURE," was adopted, with Representative Nishimoto being excused.

At this time, the Chair announced:

"Members, we will go back to page 9 and take up S.B. No. 2927, SD 2, HD 1, CD 2."

END OF CALENDAR

S.B. No. 2927, SD 2, HD 1, CD 2:

At 3:22 o'clock p.m., Representative Chong requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 3:24 o'clock p.m.

On motion by Representative Chong, seconded by Representative Evans and carried, S.B. No. 2927, SD 2, HD 1, CD 2, entitled: "A BILL FOR AN ACT RELATING TO COMMUNITY PLANNING," was recommitted to the Committee on Conference, with Representative Nishimoto being excused.

At 3:25 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 3:27 o'clock p.m.

SUPPLEMENTAL CALENDAR #1

RECONSIDERATION OF ACTION TAKEN

At this time, the Chair announced:

"Members, we are on Supplemental Calendar #1. Please note that SCR No. 156, SD 1, has been re-referred solely to the Committee on Transportation per the Committee Referral sheet No. 76. So at this time, we will be taking Senate Concurrent Resolution Number 156 up for adoption. The Committee on Finance has waived its referral to this particular measure, and it is therefore appropriate for the House to consider action for adoption once more."

On motion by Representative Chong, seconded by Representative Evans and carried, the House reconsidered its action previously taken pursuant to the recommendation contained in Standing Committee Report No. 1809-12, recommending referral to the Committee on Finance. (Representative Nishimoto was excused.)

UNFINISHED BUSINESS

S.C.R. No. 156, SD 1:

Representative Chong moved that S.C.R. No. 156, SD 1, be adopted, seconded by Representative Evans.

Representative Ward rose to speak in support of the measure, stating:

"Mr. Speaker, if I may speak in favor of this. This Reso urges the creation of an international aviation training center in Hilo, and my point of speaking to this is that the notion of synergy is when you get something that relates to something else, you get double. It's like the whole is greater than the sum of its parts. So if we've got PISCES doing international space exploration, and we've got the international aviation training center, they will have synergy. They will help each other. It's a great core of economic development for the Big Island of which I know sometimes has been really hard hit economically, so this is a great reso. Thank you."

The motion was put to vote by the Chair and carried, and S.C.R. No. 156, SD 1, entitled: "SENATE CONCURRENT RESOLUTION URGING THE CREATION OF AN EXPLORATORY COMMITTEE TO CONSIDER THE ESTABLISHMENT OF AN INTERNATIONAL AVIATION TRAINING CENTER AT THE HILO INTERNATIONAL AIRPORT AND AN ADVANCED AVIATION DEGREE TRAINING PROGRAM AT THE UNIVERSITY OF HAWAII AT HILO," was adopted, with Representative Nishimoto being excused.

INTRODUCTION OF RESOLUTIONS

The following resolutions (H.R. Nos. 199 and 200) were announced by the Clerk and the following action taken:

H.R. No. 199, entitled: HOUSE RESOLUTION AUTHORIZING AND EMPOWERING THE SPEAKER TO PERFORM AND CARRY OUT ANY OFFICIAL LEGISLATIVE BUSINESS DURING THE INTERIM BETWEEN THE 2012 AND 2013 REGULAR SESSIONS," was jointly offered by Representatives Chong and Ward.

On motion by Representative Chong, seconded by Representative Ward and carried, H.R. No. 199, was adopted, with Representative Nishimoto being excused.

H.R. No. 200, entitled: HOUSE RESOLUTION INFORMING THE SENATE AND THE GOVERNOR THAT THE HOUSE OF REPRESENTATIVES IS READY TO ADJOURN SINE DIE," was jointly offered by Representatives Say and Manahan.

On motion by Representative Chong, seconded by Representative Ward and carried, H.R. No. 200, was adopted, with Representative Nishimoto being excused.

At 3:30 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 3:31 o'clock p.m.

LATE INTRODUCTIONS

The following late introduction was made to the Members of the House:

Representative Ching introduced her legislative staff: Office Manager, Ms. Jessica Leigh Bursack; Mr. Lindsey Barrow, Ms. Tiffany Au, Ms. Elise Anderson and Ms. Deborah Bossley.

ANNOUNCEMENTS

Representative Ching: Mr. Speaker, may I make just two more announcements? I know that technically, it started May 1st, but as you know, March 3rd, was Girls' Day, but May 5th is Boys' Day, because I'm old fashioned. I know in Japan it's Children's Day, but here in Hawaii, it's Boys' Day. It's the day to stress the importance of respecting the character of boys, and promoting health and happiness. It's also the day to remember the children, and for them to express the gratitude for the tender love and care they receive from their parents.

"There's a little something on each of the male legislators' desk, as there was on March 3rd for the females. Fair is fair. It's just a gentle reminder that there's so much good in Hawaii, and these charming things that make us who we are, is why we're so special and unique. We should always remember that.

"Also, there's a book and music festival this weekend. Don't forget. From 10:00 to 5:00 right across the street on the grounds of Honolulu Hale, on both Saturday and Sunday. Free admission. Thank you, Mr. Speaker."

Representative Tokioka: "Thank you, Mr. Speaker. The announcement I have, Mr. Speaker, is that on Tuesday when we were in House Floor Session, I may have erred, and I'd like to correct the error if I can.

"As we were going through the processes, there was a lot of recesses. And there was a particular bill, dealing with cable television on the agenda, and I'm not sure if I stood up and declared my potential conflict, Mr. Speaker. So at this time, I know we can't change that, but in the spirit of transparency and openness, I'd like to let everybody know that I apologize if I had not stood up on Tuesday. Thank you, Mr. Speaker."

Representative Aquino: "Thank you, Mr. Speaker. I do have a sad announcement about the passing of a sports icon yesterday, Andy Ganigan. He was a Waipahu boy. He represented Waipahu and the State very well, during his career in the '70s and '80s. He's a world champion boxer, and again he represented Hawaii with great heart and great attitude.

"In addition, Mr. Speaker, he was a National Guard Member, in his service to our State and to our country. He had passed due to some complications due to some brain injuries he sustained in an unprovoked attack two years ago. They called him the Sugar Man to pay homage to Waipahu and the many communities who had sugar plantations. So at the appropriate time, Mr. Speaker, I'd like to ask for a moment of silence."

Representative Giugni: "Thank you, Mr. Speaker. I've been nominated, since I'm the newest, and called the freshman, here. So on behalf of the freshman class, I'd like to thank each and every one of you, for your

support, your patience, your guidance, your mentorship. Thank you, very much, for all of you. It's been an incredible experience. *Mahalo*."

Representative Mizuno: "Thank you, Mr. Speaker. We're moments away from ending the Session, and I'd be remiss if I didn't thank my fine staff. They've been fiercely loyal; to me, May, Michael, Christine and Josephine. I thank all of our staffs: HMSO, Minority Staff Office, LRB, Clerk's, Sergeant-at-Arms, DAGS.

"And I'd also like share a kind, heartfelt *mahalo* to some of our lawmakers that may be going to different places, two in particular. A very good friend of mine, that we've disagreed, and we've agreed on bills. And I get the process, Mr. Speaker. It doesn't have to be personal. I just wish them well and I hope that our paths will cross again. I wanted them to know that I love them, and that's the Representative from Ewa Beach, and my brother from another mother from Kalihi, lower Kalihi. I'm going to miss them. And a couple other members, that might be going to the other Chamber. I'm going to miss them too. I just wanted to thank them, and let them know that it's been a pleasure working with them. Thank you, Mr. Speaker."

Representative Souki: "Yes, Mr. Speaker, I want to thank you for being the great Speaker that you are, for being very democratic throughout this whole Session. You have a lot of patience, especially with some people, we won't mention names. But during the interim, may God keep you in his graces, and bless you. See you all next year, again. Thank you."

Representative Oshiro: "Thank you very much, Mr. Speaker. Members, I know that one of our good friends, and my right-hand woman, Vice Chair Lee, went through an extraordinary year, and remained at the task at hand. I just wanted her to know that as we leave the Chamber this afternoon that we are all part of her family, and part of her *ohana*. And that she should reach out to us, and feel near to us as we depart this Chamber.

"So what we have here, Vice Chair Lee, Marilyn, is a Certificate of Commendation, honoring, one of our colleagues, the one and only Representative Sam Lee. It's something that we wanted you to take home and maybe share with your kids later on this summer. But it contains the personalized signatures of all the Members, all your colleagues here, both Republicans and Democrats. We all wanted you to know, while we can't be with you every day, we want to be with you in this way. So Marilyn, please."

Representative M. Lee: "Marcus, and Speaker, and Representatives. I just wanted to thank you so much for the support that I've received from the Members of the House, during this time. I think, if I hadn't had you all, it would have been much more difficult for myself. Thank you so very much. We will cherish this."

Representative Cabanilla: "Thank you, Mr. Speaker, I just want to publicly announce my well wishes to my cohort, my colleague from Ewa Beach, that she's now leaving our Chamber to move on to bigger and better things to serve the communities of the Leeward side. I just want to say, congratulations in advance. I know you'll do it. And you did a wonderful job in this Chamber. We're going to miss you, and don't forget the interests of this Body as you move on to the City Council, because we will be working with you. Congratulations, and thank you, Representative Pine."

Speaker Say: "Thank you, very much. Any further announcements at this time? The Chair has four announcements to make at this time, with happiness. We have four individuals that are maybe leaving, or two of them are leaving. So I would like to ask Representative Cindy Evans to present a gavel to the Vice Speaker, Representative Joey Manahan. Would you like to say a few words? 'Don't take the TAT away from me,' right?"

Representative Manahan: "That's coming. No, Mr. Speaker. Thank you very much, for this opportunity. And thank you very much, Members, and Speaker for this wonderful symbol of my service here. You know, in these last days, I've been thinking about what this experience has meant, and what these Chambers mean to me. And while at different times, I've played various roles within these Chambers, they have all been significant in my overall journey. But truly, it is the people with whom you share the space

and time that gives this place its meaning. To all of us in here today, you have made my experience here profoundly fulfilling and have shown me that what I have never thought was possible, is possible.

"As a staffer, as a student, I never thought I'd be a State Representative, much less, the Vice Speaker, presiding at the rostrum. Never in my wildest dreams. Nothing prepares you, really for this. I remember you saying that to me, Mr. Speaker, and how you welcomed us as a freshman class in Room 329. You said, 'Nothing's going to prepare you for this,' but I'm grateful to you, all of you, for this privilege.

"I will always be bound by the memories we have created and shared of each other, and the relationships we have forged in this building and in these Chambers. I have learned much from all of you, and I take a little piece of each and every one of you, with me in my heart. You know, I knew this day would come, but you never really think this is going to arrive until it does.

"So in thinking about my journey, it still hasn't hit me that I'm departing, although it's starting to right now. And only yesterday, I started to realize, when we were having our fellowship with Mayor Billy Kenoi, he mentioned that we are connected by our values. And so, I'd just like to impart a few pearls of wisdom that I learned in here, in working with you, Mr. Speaker, and all of you. The first one being: Your word is your bond. And I think all of us know that. Our life and death depends on that. Stay close to your family and your home. Drink the Kool-Aid, but don't get consumed by it. And be wary of the hype.

"Take advantage of every opportunity – I learned that from you Mr. Speaker, but don't cross the line. And the line is the line in the sand that we draw. I think individually we all have that line, and each one of us knows where that is, and for as long as you stay within your limits, and your known limits, then your decisions, the ones you will have to live with, I think you'll be okay.

"I learned this next one from Speaker Emeritus, who, when I think I was still a freshman when we were going through the SuperFerry trials, I remember that there's nothing that can't be undone. You know, the Legislature holds the trump card. I think he said that, and there's nothing that can't be undone.

"And finally, don't forget why we set off on this journey in the first place. Remember what brought us here.

"So with that, I just want to give a special thanks to the 29th District, all my constituents, for placing their trust and confidence in me. I've served you honorably, and to the best of my ability.

"To Representative Dennis Arakaki, and Senator Donna Mercado Kim for their encouragement in giving me my start. To my freshman class, specially my *jefe*, Sharon, and Jimmy, for always looking out for me. Sincerely, I appreciate that. To Kyle and to Jerry, as well as the late Bob Nakasone, for being my home away from home. Of course, I can't go without saying, thank you to my very good friends, Ryan, Henry, and Ty, for all their support and faith. To Ryan especially, who I know is a friend to the end. Speaker Say, for sharing all your *mana'o* and your vision. I am truly grateful to have served under you. To all the staff at HMSO, LRB, the House Sergeant-at-Arms, our Chief Clerk CJ and the Chief Clerk's Office, the Speaker's Office. You know, you guys really run the show for us on the frontline, the frontlinesmen and women.

"To my staff and everyone who brought me to today, I am grateful. To Keiki, to Karen, to Ian, to Radiant, my mom for always being there for me. And of course, last but not least, my greatest supporter and my strongest ally, my wife, Ma'an.

"Finally, I'd like to leave you with these words from Edgar Allen Poe. It is an untitled poem, and for some reason, way back, I committed it to memory. Today I realize the relevance of these words, and I share it with you, as my final thought in these Chambers, and it goes like this.

I heed not that my earthly lot
Hath little of Earth in it
That years of love have been forgot
In the hatred of a minute:
I mourn not that the desolate
Are happier, sweet, than I,
But that you sorrow for my fate
Who am a passer by.

"Thank you, very much."

Speaker Say: "And now from across the aisle, a beautiful woman who will be leaving this Chamber, Representative Kym Pine. Gene."

Representative Ward: "Mr. Speaker, a few remarks. I thought this was going to be easy. You know, this is difficult, because it takes so much energy to get here, and everybody put in so much of their life to be here. So parting is such sweet sorrow. Breaking up is hard to do. Leaving is hard to do. Transitioning is hard to do. But when you've got running through you, the spirit of Alexander Hamilton, Ferdinand Marcos, those people who were leaders and overcame all emotional or other objections, they rose to the occasion. And young lady, you serve the people of Hawaii well. You've honored us. And be like somebody who may be coming over from the City Council. Once you get termed out, you come back to us.

"But Mr. Speaker, I want you to know also, prior to this Session, this was a female-dominated Caucus, with the advent of the three new males, we have a balance. Having said that, one of her closest friends would not allow this event to take place without a few words from Corrine Ching, who is her closest seatmate, who is going to say something before I present the gavel. Corrine."

Representative Ching: "Thank you, Mr. Speaker. I do appreciate this time. One of the best things about, I think, being an elected official, is the people you get to serve with. That they help you grow. And as the Minority Leader did mention, there was a time when there was mostly just women. And one day, I did look across the table in our Caucus Room at the many women, and I thought, my goodness, I think I serve with lionesses.

"Today, my friend, Kym Pine, kind of like Nala the lion, she moves on to new pride lands. I have been inspired by my friend. Some people think we're related. See my sister here, because she has made me so proud in her courage, her integrity. We know she's strong. We know she's beautiful. But she's intelligent, articulate, and she chooses the path less followed. She has stood for so many great things, defending a murder victim, our nation's flag, surfing reserves. And she is herself an accomplished athlete, which I'm so proud of her. She never, never gives up.

"And should there ever be someone in need, whether it be the homeless in Ewa Beach, or it be a new staff member, a newbie, in the words of some in the surfing community, you know, Kym would go. Kym, you know, you've been such an inspiration. I'll miss you, my sister."

Representative Ward: "On behalf of the Minority and Majority, this is your gavel, with our thanks and appreciation."

Representative Pine: "My last rebuttal, Mr. Speaker. I've got a gavel now."

Speaker Say: "How fast power gets to your head."

Representative Pine: "Well, Mr. Speaker, it's official. Despite all the rumors, I have made it confirmed. I am leaving this Chamber, hopefully to serve the people in City Hall. Your two *haolepinos* are finally leaving together. I'm so excited about taking this journey with you.

"I first met Joey, when we were both staffers. We didn't know what the heck was going on, and who was who. And we just said, 'Hey you're Filipino. I'm *Haole* and Filipino. Oh my God. We're *haolepinos*.' So we had our own Caucus going, Mr. Speaker, but we didn't tell anybody.

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"You know, how do you say good bye? I have been here since 1997, and I never thought I'd actually be sitting right here. Every day I think my constituents are crazy to think that I can lead them, but I'm so honored and I'm so grateful. You know, my grandfather came here from the Philippines. He was that rebel Marcos that said, 'I'm going to America, to make something of myself.' He traveled across torturous seas, and said, 'I just want each generation to do better than the next.'

"I was so honored to see my grandmother here today, because we almost lost her, just a few weeks ago. But she's a stubborn Marcos, Mr. Speaker. And she wasn't going to miss this day. One of my mentors, Abigail Shaw, when I used to complain to her, and say 'Ah, politics is too hard. You work hard, they hate you. You don't work hard, they hate you. You try hard, they hate you. You do good, they hate you. You do bad, they hate you.' And she said, 'Oh this is not hard, Kym. Your grandmother worked on a plantation and lived in poverty. Nothing will ever be harder than that.' So I thank this Body for the incredible learning experience.

"I thank my staff who's here today, Kauai, and Linda, and Kim, and Kaylee. They will be here, when no one else is here. I assign them nothing, and they do everything. That is a dream staff. And my husband, Brian. When we first got married, we didn't really see each other much, because he was off in war deployment. But I couldn't do this job without you. I love you. I've learned from each person.

"I first came here pissed off because my community was neglected. We had no roads. There was traffic. Fix it, Rep. Pine. So I was a little feisty in the beginning, and I apologize. Marcus Oshiro, peace dude. But there's one person that taught me the most important learning experience and message, and that is my former Chief of Staff, John Gollner. You know, the problem about doing adlib speeches is you don't practice the emotion part. You don't realize you're going to cry till you're saying it. But John has been with me since my first Legislative Session. He came into my office as this buff, tan, marine. He was very cocky. He's still cocky. But you know, then he got deployed to Iraq, and he didn't come back the same. He fought for all of us so bravely, Mr. Speaker. And he comes here still today. My brother.

"Those of you who don't know, because of the war he lost his vision, and most of his hearing. And he was my Chief of Staff. He was a couple hours late to work, and he finally got in. And I'm like, 'John, what the heck's going on? We've got Crossover.' And he says, 'I'm sorry Rep. I lost all my vision today, and it took me a while to get here.' And I said, 'Why are you here if you can't see?' And he said, 'I'm never going to give up. I'm never going to let anything get me down. And at the very least, in my lifetime, I'm going to always show up, no matter what's against me.' That makes me very proud that despite all of the disabilities that he has incurred from the war, that he's going to try his best to replace me here. Only fate can decide who gets to be here, but it's the fact that he's going to try, that inspires me tremendously.

"Representative Tsuji. How are you? You're supposed to say something else. How are you?"

Representative Tsuji: "Me fine. You fine. We all fine."

Representative Pine: "I'm really going to miss that. And I'm going to miss Tom Brower. I'm going to invite you for our invocations over at City Hall. I'm going to miss John Mizuno. I have never met anyone that cared so much about everything. But you know, if there's someone that's not listening to you, they will find an open heart in his staff and himself, and sometimes that's what is needed.

"My sister from Kapolei, Sharon Har. I finally realized the reason we always have tension, is because she's Korean and I'm Filipino and Irish. We should have really started our relationship in the beloved Bob Nakasone's office on a regular basis. We would have really enjoyed each other. To my Filipino brothers who've always taken care of me, Reps. Manahan, and Aquino, and Cullen. Thank you very much. And of course, Rep. Nishimoto for always making sure... he's not here. Hopefully someone will dress as well as him one day.

"But I do want to thank this Body, because I came here, because my community was neglected. We were in distress for not having appropriate roads. The worst traffic in the State. The most overcrowded schools in the State. There was trash just everywhere, and graffiti everywhere. The community got together with me, and said, 'Hey, we're done with just enough. Now we want the best.'

"So, I thank this Body who gave us all those new roads, the new schools. I thank you for the zipper lane. Thank you. I thank you this year, for saving our hospitals. We were in dire need of an ambulance and new hospital. I've had my toughest year, personally as a leader this year, Mr. Speaker. And it has not been easy for my family who has been attacked so much. But I decided to learn from my great Chief of Staff in the belief of never surrendering, and always believing that good always prevails over evil, in every instance. And so I decided to take a bad and help other people, and I sincerely thank this Body for passing almost all the cyber crime bills this year. You have no idea of the number people that you will save.

"I thank the House staff and CJ for putting up with me. The Sergeant-at-Arms, all of our research staffs, and especially the Minority. You are my brothers and sisters, my aunty. I am continually amazed that you come here every day as if nothing ever happened the day before. You fight for your cause. That's what government should be about.

"And so as I leave you, I wish you things like this. Before you start to campaign, I wish you a beautiful sunset. I wish for you to take the time to feel the sand between your toes. For those that have kids, I wish you the ability to actually watch that baseball game of your kid. But most importantly, I wish you something I've learned that has helped me wake up every morning so excited to be here.

"Forget your personal histories between each other. Wake up each day as if nothing happened the day before, and that you've met your colleague for the first time. Then each issue will be judged on its merit and not by your personal history. *Mahalo*, for all the learning experiences. *Mahalo*."

Speaker Say: "There are three more individuals that this Body would like to recognize. Two of them, right now, are from the Big Island. I call these two individuals the 'Limbo Representatives.' Chair Herkes, I have Speaker Souki presenting you with a gavel. And Representative Har, a gavel to Representative Chang, please.

"Why I say you are in limbo is, well Chair Chang, you haven't taken out any papers for the House or Senate. And Chair Herkes, you've taken out papers for the House and Senate. So if any of you ever get re-elected to the State House, please return the gavel, okay. Bob."

Representative Herkes: "Mr. Speaker, 12 years ago, you gave me one of these. So you want me to give this one back now? Mr. Speaker, as you said, I have no idea where I'm going to be next year. If the three judge panel sides with the plaintiffs and throws everything out, I might be back here running for my existing seat. So I took out papers for this seat. If they lose, and the Reapportionment Commission lines stand, then I will run for the new Senate seat on the Big Island that does not have an incumbent.

"I brought my public relations duck with me today, Quack. He's been campaigning with me for 28 years, and had a lot to do with me getting here. So I just thought, if I do leave, the least I could do is to bring Quack along. Quack's been in the Senate. He's been in the Council. You know, I have a strange political career, Mr. Speaker, and I've been introduced Councilman Senator Representative Republican Democrat Herkes, which kind of sums it all up.

"So I don't know what's going to be added to that. I've been a freshman four times. The last time was in '02. I advised those of you that referred me as a freshman to go to hell, because I'd already been in office 12 years, and so I didn't appreciate that.

"Mr. Speaker, I want to tell you, the last 7 years as Chair of CPC has been an incredible challenge. And the support that I've gotten from all of you, the support that I've gotten from HMSO, LRB, all of you over there.

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Georgette always trying to think of something nice to say about me. The Clerk's Office, Sergeant-at-Arms, and especially my staff, particularly in the last two years. The work that we did on mortgage foreclosures, I think, was remarkable. And all of you, all of you can rejoice and be proud of that.

"If I move across the street, over there, I certainly will remember all of you, and all of the support that you've given me in all of the years that I've been here. And if I'm back here, God bless you. I'll give this back. Aloha."

Representative Chang: "You're right Mr. Speaker. I'm in limbo. June 5th. So, I have several different options. One that I don't want to do, is run against an incumbent, especially a friend that I've served with. And another is moving on to the Senate, which I really enjoy being here. I enjoy the friendship, and the Leadership, and the staff, and everybody who's been so supportive for me.

"I don't want to take too much time, because I may be back here, or I may be in the Senate. But I just wanted to convey something that I have; a saying that has guided me throughout my life. I've been through many different challenges, but the one saying that I've always kept in mind, that I've heard and I don't know where I got it, or who said it, but it goes like this:

To be the best that you can be, you need to surround yourself with people who expect more of you, than you do.

"And for all of you here, I think that's what you've done for me. Especially for you, Mr. Speaker. I've served with you for the past 24 years. I've known you when I was, well we both were very young, especially you. You were the Water, Land Chairman and the first time I looked at him, and I said, 'God, this young kid is running this Committee.'

"So I was very impressed with you, and you've always been a friend. Whether you were in leadership, or on the outs, you were still a very, very good friend. Speaker Souki, thank you also for your leadership. For all of my friends here, thank you all. I've learned a lot. And I will be around, so don't worry about me. I'll be around. Thank you, very much."

Speaker Say: "And finally, a young man who has given so much to this particular Chamber throughout his career. This is a young man who is now working in the Governor's Office. We'd like to call Blake Oshiro to come on to the Floor of the House to receive your gavel, which you did not get, when you had resigned. Would you like to say a few words, Mr. Blake Oshiro?"

Mr. Blake Oshiro: "Wow, this is quite a surprise, and I am extremely honored to have been called back here. I just got a text saying that I've got to come now. So I thought there was some bill that was about to die, so I ran down. And now I have the pleasure of hearing all of you guys speak again, and really longing for those days when I used to be here.

"People ask me all the time, 'Do I miss it?' And my first answer is, no. But I do miss the people. I miss all of you, truly. I really, really do. When I think back on being here 11 years ago, and how much personally I've grown, and how much you folks have all given me in terms of opportunities to explore my own leadership potential. I never thought that the path I started on, 11 years ago would take me to the 5th Floor. So I am extremely, extremely honored for all of you, for giving me that opportunity.

"There were a couple of friends, Sylvia and Scott, that first asked me to run, and I laughed in their face. Then I eventually decided to run. Then Speaker took me under his wing and since then, I've grown into some leadership roles. And with all of that, I am extremely, extremely honored. I will miss all of you. And I miss the debates. Sometimes. Watching them from afar is much better than sitting here, sometimes. But I am glad to hear that at least one of my phrases will constantly be echoed throughout these halls at least for the time being, and that's, 'Please remember to read the bill.' Thank you, very much."

Representative Ward gave his closing remarks on behalf of the Minority as follows:

"Thank you, Mr. Speaker. If my memory, but I distinctly remember looking at the Majority Leader, and saying, 'If you would read the bill ... If the Representative would have read the bill ...' But you said it so nicely, and you will be remembered for that.

"Just like we will remember this Session, Mr. Speaker, because as leaders, we have to be able to see the future. We have to be able to see the future. But because of the economy and the downturn, our mirrors are a little foggy. But we have a vision, that each of us, when we were elected, was sent here for. So I want to encourage everybody, shine, polish that vision. You're here for a purpose. There's a greater purpose for the State of Hawaii. You are all here, and we have to remember what we accomplished this Session. Just two lessons learned, Mr. Speaker.

"One, when the economy is strong, we are strong. Look at the difference of the enthusiasm on the Floor that we left this year. We are going to be leaving in a few minutes, this year, versus the way we left last year, not knowing where the money was going to come from. All the people were going to be out of the inspection position. The people who were the needy, and the down-and-out were going to be hurting. Mr. Speaker, we have to keep the economy strong.

"Secondly, when our environment is strong, we are strong. And I want to thank my colleagues, the ones who have reclaimed the mantle of the Teddy Roosevelt Party. I'm really proud of you guys and what you've done. And for you, Mr. Speaker, and all the Majority and what you guys have done in keeping the ship of state afloat. Keeping us strong. Keeping us optimistic. And Mr. Speaker, all the arrows that I've seen in your back, thank you for being tough. Thank you for the thick skin that you've developed over these many years.

"But for all that we've done, we still have a long ways to go. It's been a great pleasure and honor, and we look forward to even more challenges and success in the future. God bless you. God bless you all."

Representative Chong gave his closing remarks on behalf of the Majority as follows:

"Thank you, Mr. Speaker. First, over this past Session, your Majority Caucus has done a lot of good things, over the last two years, and a lot to be proud of. I know you'll be speaking to that in a little while, but I just wanted to, first, thank you for the opportunity to serve as the Leader, and to all my Majority members, for their support and patience.

"I'd like to thank the Minority for working with us this year. I'd also like to thank all those support staff offices, the Chief Clerk and your office, the Sergeants and your office, HMSO and all the staff. Georgette, for the Communications Office. I'd also like to thank my counterpart, Brickwood Galuteria, for working, and establishing that bridge between the House and the Senate. Also my staff, Janis, Ben, and all the others who supported me, and worked hard to support the Majority.

"Finally, to the freshman class this year, of the Majority. You did really well. I think you will make not just your constituents proud, but this Body proud. And again, thank you very much."

Speaker Say then gave his closing remarks as follows:

"In my closing remarks, let's talk about the accomplishments. Let's talk about the accomplishments. These accomplishments are the result of our early, and continuous cooperation with the Senate, the Administration, and the House. At the beginning of Session, the Legislature proceeded to move bills to address imminent problems. Three bills that, you can all recall, were reported out of carryover Conference Committees, were passed by both houses, and signed into law in February by the Governor.

"H.B. No. 608, which became Act 1, which provided State assistance to the Queen's Medical Center for an Organ Transplant Center, in the wake of the closure of the Hawaii Medical Center.

"S.B. 239, which became Act 2, extended the funding for the John A. Burns School of Medicine with tobacco settlement funds, an action necessary for the viability of the operations of the school.

"H.B. 809, which became Act 3, authorized the University of Hawaii to issue \$100 million more in revenue bonds for the State of Hawaii, and that was intended to fund construction projects for the economic revitalization.

"Through January and February, the Legislature fast tracked H.B. 2096, a bill to prevent a substantial increase during calendar year 2012, of the unemployment insurance contribution rates for businesses. If not for the bill, businesses would have had to absorb a multimillion dollar increase in their unemployment insurance contributions, thereby diverting capital from other, more productive purposes. H.B. 2096 was passed by the Legislature, and on March 9th, signed by the Governor as Act 6.

"Perhaps the most notable of the early Session accomplishments, the Legislature, with all of your support, expedited the passage of S.B. 2783. Representative Ward, you know what that bill is all about. S.B. 2783? This was the OHA Public Land Trust Agreement. Passage of such legislation had eluded the Legislature for many years, and for me, being here, number three was a charm in getting it done. This Session was different because of the prevailing spirit of cooperation. At the urging of Governor Abercrombie and OHA, the Legislature passed S.B. 2783 and it was signed into law as Act 15 on April 4th.

"This House has taken a lot of initiatives where we have been doing it very quietly. I want to thank Representative Ken Ito for a job well done, in educating the Members in what is in store in regards to the Japan *opala* that is now traveling across the Pacific to the West Coast, and then back to Hawaii. I want to thank Representative Tom Brower for his research in regards to the tectonic plates of the Northwest, whereby, someday, when those two plates collide, there will be a *tsunami*. And third, Representative Yamane, thank you very much for the work that you are doing in regards to addressing a major issue that will probably occur this month, which is the closure of Tesoro.

"We are proactive, here in this House. It's just that we don't communicate what we are doing sometimes, and it's maybe because of our style, maybe my style. The old style of the Oriental. You don't have to brag. Just do it. The spirit of cooperation has continued until the end of the Session.

"The Legislature can point to many worthy bills that have passed in the areas of economic revitalization and jobs, and growth. Angus, thank you. And Isaac, and the Committee members. Renewable energy, Chair Coffman. Public employee pension reform, Chair Rhoads. Health and Human Services, Chair Yamane and Chair Mizuno. Agriculture, Chair Tsuji. Congratulations for your inspectors and your dogs in preventing invasive species. Chair Takumi, thank you very much for your efforts in regards to the Charter School reform, early learning funding, and other areas of no less importance to the people of the State of Hawaii.

"But why are we in the House the ones that are very successful? We could not have accomplished any of this without our staffs. I thank them for their efforts. Foremost, thank you to the permanent and session staff members of our respective offices, your office managers and your session employees. They had to put up with us, as well as the daily work grind. Thank you, to House Chief Clerk CJ Leong, House Sergeant-at-Arms Kevin Kuroda, and their staffs, for a job well done in operating the legislative process and the operations of the Chambers and the Conference Rooms, etc.

"Thank you for the House Majority Staff Office, Director Joan, if you're listening to us. Joan Yamaguchi of the House Majority Staff Office who did a lot of the work. And the House Minority Research Office Director Beth Fukumoto, and their staffs. Also, thanks should go out to Mr. Rich Dvonch, our House Chief Attorney, and Mr. Jim Funaki, our House Special Counsel.

"Next, I would like to thank Chair Oshiro and Vice Chair Lee. Thank you to Nan, and the staff of the Finance Committee. Thank you, also to those who we all go and visit, the Legislative Reference Bureau, which is Charlotte Carter-Yamauchi, and the Legislative Reference Bureau staff. And also we have to thank an individual, and a group of employees that withstood the time of day, as far as the recording and televising of our Conference and Committee meetings, and that goes out to Glenn Booth, and the Capitol TV.

"Finally Members, I thank you all for mostly being collegial, frequently enlightening, and definitely productive during the Regular Session of 2012. So in closing, I am honored and humbled to have served as a Speaker for you, because you are the people of high-quality character, dedication and accomplishments. You folks did it. And we're all a part of it. So in closing, *aloha* and best wishes to all of you on your re-election, or your election.

"And at this time, may we all stand for a moment of silence in remembering a sports figure who has contributed so much. Mr. Andrew Ganigan."

At this time, the Members of the House of Representatives stood for a moment of silence in honor of former world lightweight boxing champion and Hawaii Sports Hall of Famer, Andrew (Andy) "Hawaiian Punch" Ganigan.

COMMITTEE REASSIGNMENTS

The following measure was re-referred to committee by the Speaker:

<u>S.C.R.</u>	<u>Re-referred to:</u>
<u>No.</u>	
57,	Committee on Culture & the Arts
SD2	

ADJOURNMENT

Representative Chong moved that the House of Representatives of the Twenty-Sixth Legislature of the State of Hawaii, Regular Session of 2012, adjourn Sine Die, seconded by Representative Ward.

The motion was put to vote by the Chair and carried, and at 4:25 o'clock p.m., the Speaker rapped his gavel and declared the House of Representatives of the Twenty-Sixth Legislature of the State of Hawaii, Regular Session of 2012, adjourned Sine Die. (Representatives Coffman, Nishimoto and Saiki were excused.)

HOUSE COMMUNICATIONS

House Communication dated May 3, 2012, from CJ Leong, Chief Clerk of the House of Representatives, to the Honorable President and Members of the Senate, informing the Senate that the House has this day agreed to the amendments made by the Senate and passed the following House Bills on Final Reading:

H.B. No. 302, HD 1, SD 2
 H.B. No. 2113, HD 1, SD 1
 H.B. No. 2257, HD 1, SD 1
 H.B. No. 2258, HD 2, SD 1
 H.B. No. 2409, SD 1
 H.B. No. 2601, HD 3, SD 1
 H.B. No. 2681, HD 1, SD 1

House Communication dated May 3, 2012, from CJ Leong, Chief Clerk of the House of Representatives, to the Honorable President and Members of the Senate, informing the Senate that the House has this day passed the following bills on Final Reading:

ROUGH DRAFT

H.B. No. 246, HD 1, SD 2, CD 1
 H.B. No. 283, HD 1, SD 2, CD 1
 H.B. No. 304, HD 1, SD 1, CD 1
 H.B. No. 1726, HD 1, SD 2, CD 1
 H.B. No. 1755, HD 2, SD 2, CD 1
 H.B. No. 1800, HD 2, SD 2, CD 1
 H.B. No. 1838, SD 1, CD 1
 H.B. No. 1942, HD 2, SD 2, CD 1
 H.B. No. 1943, HD 2, SD 2, CD 1
 H.B. No. 1953, HD 1, SD 1, CD 1
 H.B. No. 1968, HD 1, SD 2, CD 1
 H.B. No. 2012, HD 1, SD 1, CD 1
 H.B. No. 2100, HD 2, SD 1, CD 1
 H.B. No. 2226, HD 2, SD 2, CD 1
 H.B. No. 2248, HD 2, SD 2, CD 1
 H.B. No. 2251, SD 1, CD 1
 H.B. No. 2275, HD 2, SD 2, CD 1
 H.B. No. 2302, HD 2, SD 1, CD 1
 H.B. No. 2319, HD 2, SD 1, CD 1
 H.B. No. 2415, HD 2, SD 1, CD 1
 H.B. No. 2448, HD 2, SD 2, CD 1
 H.B. No. 2476, HD 1, SD 2, CD 1
 H.B. No. 2495, HD 1, SD 1, CD 1
 H.B. No. 2515, HD 3, SD 2, CD 1
 H.B. No. 2540, HD 2, SD 1, CD 1
 H.B. No. 2599, HD 1, SD 1, CD 1
 H.B. No. 2626, HD 2, SD 2, CD 1
 H.B. No. 2664, HD 1, SD 1, CD 1
 H.B. No. 2684, HD 2, SD 2, CD 1
 H.B. No. 2806, HD 2, SD 2, CD 1
 H.B. No. 2873, HD 2, SD 2, CD 1
 H.B. No. 2883, HD 2, SD 2, CD 1
 S.B. No. 112, SD 1, HD 1, CD 1
 S.B. No. 155, SD 2, HD 1, CD 1
 S.B. No. 240, SD 2, HD 2, CD 1
 S.B. No. 490, SD 3, HD 1, CD 1
 S.B. No. 1083, SD 1, HD 1, CD 1
 S.B. No. 1269, SD 2, HD 2, CD 1
 S.B. No. 2115, SD 2, HD 2, CD 1
 S.B. No. 2116, SD 2, HD 1, CD 1
 S.B. No. 2214, SD 2, HD 2, CD 1
 S.B. No. 2220, SD 1, HD 2, CD 1
 S.B. No. 2236, HD 2, CD 1
 S.B. No. 2239, SD 1, HD 1, CD 1
 S.B. No. 2261, HD 1, CD 1
 S.B. No. 2320, SD 2, HD 2, CD 1
 S.B. No. 2323, SD 1, HD 1, CD 1
 S.B. No. 2324, SD 1, HD 1, CD 1
 S.B. No. 2341, SD 2, HD 2, CD 1
 S.B. No. 2344, SD 2, HD 1, CD 1
 S.B. No. 2378, SD 1, HD 1, CD 1
 S.B. No. 2383, SD 1, HD 1, CD 1
 S.B. No. 2424, SD 2, HD 2, CD 1
 S.B. No. 2435, SD 1, HD 1, CD 1
 S.B. No. 2466, SD 2, HD 2, CD 1
 S.B. No. 2536, HD 2, CD 1
 S.B. No. 2545, SD 2, HD 2, CD 1
 S.B. No. 2576, SD 1, HD 3, CD 1
 S.B. No. 2678, SD 2, HD 2, CD 1
 S.B. No. 2695, SD 2, HD 2, CD 1
 S.B. No. 2739, SD 2, HD 1, CD 1
 S.B. No. 2776, SD 2, HD 2, CD 1
 S.B. No. 2778, SD 1, HD 1, CD 1
 S.B. No. 2779, SD 2, HD 1, CD 1
 S.B. No. 2780, SD 1, HD 2, CD 1
 S.B. No. 2804, SD 2, HD 2, CD 1
 S.B. No. 2827, SD 1, HD 1, CD 1
 S.B. No. 2873, SD 1, HD 3, CD 2
 S.B. No. 2933, SD 2, HD 2, CD 1
 S.B. No. 2939, SD 1, HD 1, CD 1
 S.B. No. 2947, SD 2, HD 2, CD 1
 S.B. No. 2958, SD 2, HD 2, CD 1

SENATE COMMUNICATIONS

The following communications from the Senate (Sen. Com. Nos. 835 through 847) were received by the Clerk:

Sen. Com. No. 835, transmitting H.B. No. 2127, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR HAWAII PREPARATORY ACADEMY," which passed Third Reading in the Senate on May 3, 2012.

Sen. Com. No. 836, transmitting H.C.R. No. 107, entitled: "HOUSE CONCURRENT RESOLUTION URGING THE CREATION OF AN EXPLORATORY COMMITTEE TO CONSIDER THE ESTABLISHMENT OF AN INTERNATIONAL AVIATION TRAINING CENTER AT THE HILO INTERNATIONAL AIRPORT AND AN ADVANCED AVIATION DEGREE TRAINING PROGRAM AT THE UNIVERSITY OF HAWAII AT HILO," which was adopted by the Senate on May 3, 2012.

Sen. Com. No. 837, transmitting H.C.R. No. 153, entitled: "HOUSE CONCURRENT RESOLUTION CONVENING A MANOA ROAD TASK FORCE TO DISCUSS OWNERSHIP, MAINTENANCE, AND REPAIR RESPONSIBILITY OF THE PORTION OF MANOA ROAD LEADING UP TO THE LYON ARBORETUM," which was adopted by the Senate on May 3, 2012.

Sen. Com. No. 838, transmitting H.C.R. No. 216, entitled: "HOUSE CONCURRENT RESOLUTION URGING THE UNITED STATES HOUSE OF REPRESENTATIVES ARMED SERVICES COMMITTEE AND SUBCOMMITTEE ON MILITARY PERSONNEL TO ACT FAVORABLY ON H.R. 2148 AND TO REPORT THE BILL TO THE UNITED STATES HOUSE OF REPRESENTATIVES FOR FURTHER ACTION," which was adopted by the Senate on May 3, 2012.

Sen. Com. No. 839, dated May 3, 2012, informing the House that the following bills have this day passed Final Reading in the Senate:

H.B. No. 246, HD 1, SD 2, CD 1
 H.B. No. 283, HD 1, SD 2, CD 1
 H.B. No. 304, HD 1, SD 1, CD 1
 H.B. No. 1726, HD 1, SD 2, CD 1
 H.B. No. 1755, HD 2, SD 2, CD 1
 H.B. No. 1800, HD 2, SD 2, CD 1
 H.B. No. 1838, SD 1, CD 1
 H.B. No. 1942, HD 2, SD 2, CD 1
 H.B. No. 1943, HD 2, SD 2, CD 1
 H.B. No. 1953, HD 1, SD 1, CD 1
 H.B. No. 1968, HD 1, SD 2, CD 1
 H.B. No. 2012, HD 1, SD 1, CD 1
 H.B. No. 2100, HD 2, SD 1, CD 1
 H.B. No. 2226, HD 2, SD 2, CD 1
 H.B. No. 2248, HD 2, SD 2, CD 1
 H.B. No. 2251, SD 1, CD 1
 H.B. No. 2275, HD 2, SD 2, CD 1
 H.B. No. 2302, HD 2, SD 1, CD 1
 H.B. No. 2319, HD 2, SD 1, CD 1
 H.B. No. 2404, HD 1, SD 2, CD 1
 H.B. No. 2415, HD 2, SD 1, CD 1
 H.B. No. 2448, HD 2, SD 2, CD 1
 H.B. No. 2476, HD 1, SD 2, CD 1
 H.B. No. 2495, HD 1, SD 1, CD 1
 H.B. No. 2515, HD 3, SD 2, CD 1
 H.B. No. 2540, HD 2, SD 1, CD 1
 H.B. No. 2599, HD 1, SD 1, CD 1
 H.B. No. 2626, HD 2, SD 2, CD 1
 H.B. No. 2664, HD 1, SD 1, CD 1
 H.B. No. 2684, HD 2, SD 2, CD 1
 H.B. No. 2806, HD 2, SD 2, CD 1
 H.B. No. 2873, HD 2, SD 2, CD 1
 H.B. No. 2883, HD 2, SD 2, CD 1
 S.B. No. 112, SD 1, HD 1, CD 1
 S.B. No. 155, SD 2, HD 1, CD 1
 S.B. No. 240, SD 2, HD 2, CD 1

S.B. No. 490, SD 3, HD 1, CD 1
 S.B. No. 1083, SD 1, HD 1, CD 1
 S.B. No. 1269, SD 2, HD 2, CD 1
 S.B. No. 2115, SD 2, HD 2, CD 1
 S.B. No. 2116, SD 2, HD 1, CD 1
 S.B. No. 2214, SD 2, HD 2, CD 1
 S.B. No. 2220, SD 1, HD 2, CD 1
 S.B. No. 2236, HD 2, CD 1
 S.B. No. 2239, SD 1, HD 1, CD 1
 S.B. No. 2261, HD 1, CD 1
 S.B. No. 2320, SD 2, HD 2, CD 1
 S.B. No. 2323, SD 1, HD 1, CD 1
 S.B. No. 2324, SD 1, HD 1, CD 1
 S.B. No. 2344, SD 2, HD 1, CD 1
 S.B. No. 2378, SD 1, HD 1, CD 1
 S.B. No. 2383, SD 1, HD 1, CD 1
 S.B. No. 2424, SD 2, HD 2, CD 1
 S.B. No. 2435, SD 1, HD 1, CD 1
 S.B. No. 2466, SD 2, HD 2, CD 1
 S.B. No. 2536, HD 2, CD 1
 S.B. No. 2545, SD 2, HD 2, CD 1
 S.B. No. 2576, SD 1, HD 3, CD 1
 S.B. No. 2678, SD 2, HD 2, CD 1
 S.B. No. 2695, SD 2, HD 2, CD 1
 S.B. No. 2739, SD 2, HD 1, CD 1
 S.B. No. 2776, SD 2, HD 2, CD 1
 S.B. No. 2778, SD 1, HD 1, CD 1
 S.B. No. 2779, SD 2, HD 1, CD 1
 S.B. No. 2780, SD 1, HD 2, CD 1
 S.B. No. 2804, SD 2, HD 2, CD 1
 S.B. No. 2827, SD 1, HD 1, CD 1
 S.B. No. 2873, SD 1, HD 3, CD 2
 S.B. No. 2933, SD 2, HD 2, CD 1
 S.B. No. 2939, SD 1, HD 1, CD 1
 S.B. No. 2947, SD 2, HD 2, CD 1
 S.B. No. 2958, SD 2, HD 2, CD 1

Sen. Com. No. 840, dated May 3, 2012, informing the House that the Senate has on April 25, 2012, reconsidered its action taken on April 12, 2012, in disagreeing to the amendments proposed by the House to the following Senate Bill and has moved to agree to the amendments, and that said bill has this day passed Final Reading:

S.B. No. 745, SD 2, HD 2, entitled: "A BILL FOR AN ACT RELATING TO SEAWATER AIR CONDITIONING."

Sen. Com. No. 841, dated May 3, 2012, informing the House that the Senate has on April 26, 2012, reconsidered its action taken on April 12, 2012, in disagreeing to the amendments proposed by the House to the following Senate Bill and has moved to agree to the amendments, and that said bill has this day passed Final Reading:

S.B. No. 2506, SD 2, HD 1, entitled: "A BILL FOR AN ACT RELATING TO CIVIL IDENTIFICATION."

Sen. Com. No. 842, dated May 3, 2012, informing the House that the Senate has on May 1, 2012, reconsidered its action taken on April 12, 2012, in disagreeing to the amendments proposed by the House to the following Senate Bill and has moved to agree to the amendments, and that said bill has this day passed Final Reading:

S.B. No. 2785, SD 2, HD 2, entitled: "A BILL FOR AN ACT RELATING TO INTERISLAND ELECTRIC TRANSMISSION CABLE SYSTEMS."

Sen. Com. No. 843, dated May 3, 2012, informing the House that the Senate has this day overridden the Governor's veto by a two-thirds vote of all the members to which the Senate is entitled to the following bill:

S.B. No. 2101, SD 1, HD 2

Sen. Com. No. 844, dated May 3, 2012, informing the House that the Senate has on May 3, 2012, reconsidered its action taken on April 12,

2012, in disagreeing to the amendments proposed by the House to the following Senate Bill and has moved to agree to the amendments, and that said bill has this day passed Final Reading:

S.B. No. 2946, SD 2, HD 2, entitled: "A BILL FOR AN ACT RELATING TO TRANSPORTATION."

Sen. Com. No. 845, transmitting S.R. No. 108, entitled: "SENATE RESOLUTION INFORMING THE HOUSE AND GOVERNOR THAT THE SENATE IS READY TO ADJOURN SINE DIE," which was adopted by the Senate on May 3, 2012.

Sen. Com. No. 846, dated May 3, 2012, informing the House that the Senate has made the following change to Senate Conferee assignment for the following concurrent resolution:

S.C.R. No. 40, Senate Conferees discharged.
 SD 1, HD 1

Sen. Com. No. 847, dated May 3, 2012, informing the House that the Senate has on May 3, 2012, reconsidered its action taken on April 25, 2012, in disagreeing to the amendments proposed by the House to the following Senate Concurrent Resolution and has moved to agree to the amendments, and that said resolution has this day been Adopted:

S.C.R. No. 40, SD 1, HD 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE RENAMING OF AND THE EXTENSION OF THE PROMPT PAYMENT TASK FORCE TO DEVELOP RECOMMENDATIONS TO ADDRESS ISSUES THAT AFFECT PROCUREMENT FOR GOODS AND SERVICES PURCHASED THROUGH NONPROFIT ORGANIZATIONS, INCLUDING HUMAN SERVICE NONPROFIT ORGANIZATIONS THAT DELIVER PIVOTAL GOODS AND SERVICES TO INDIVIDUALS, FAMILIES, COMMUNITIES, AND OTHER SMALL BUSINESSES."

EMPLOYEES OF THE HOUSE

The following is a list of all House employees for the 2012 session:

Representative Aquino: Maureen Andrade, Janelle Funtanilla, Stacie Gandauli, Ruffalyne Sunajo

Representative Awana: Wendy Ferreira, Guy Aiu, Irene Amber-Leigh Awana, Kent Jiang, Kathryn Ann Reis

Representative Belatti: Jon Kawamura, Kate Bryant-Greenwood, Bernard Fo, TinaAnn Heatherly

Representative Brower: Cynthia Nyross, Daniel Kalili

Representative Cabanilla: Christopher Manabat, Patrocinio Bolo, Stacy Kaneshiro, Christina Simms, Wayne Worthington Jr.

Representative Carroll: Soana Tupua-Fanoga, Nancy Barry, Royalene Fernandez, Ramie Wright

Representative Chang: Sharon Miranda, Bernardine Jay, Francine Kaneshige

Representative Ching: Jessica Bursack, Elise Anderson, Tiffany Au, Lindsey Barrow Jr., Austin Benoit, Deborah Bossley

Representative Chong: Janis Higaki, Benjamin Park, Caitlin Espinda, Anna Koethe, Jenny Lee, Connor McKenzie, Janina Tully

Representative Choy: Carole Hagihara, Daphne Henion, Pamela Seeney

Representative Coffman: Merissa Sakuda, Ian Araki, Nicole Lowen

Representative Cullen: Shanell Cullen, Sy Cullen, Rachele Lamosao, Jolyn Adele Prieto

Representative Evans: Tommie Suganuma, Teritavae Perez, Brendan Rasheed, Philip Regina, Joel Yamashiro

Representative Fontaine: Carrie Kealoha, Tania Cortez-Carnero, Jeffrey Lyons

Representative Giugni: Tannya Kanei-Ibara, Kenneth Best, Willette Lum, Benjamin Nishimoto, Carl Takamura

Representative Hanohano: Julia Peleiholani, Kaliko Chun, Kahikina Kaawaloa

Representative Har: Spencer Yim, Alexis Chapman, Ronson Dela Pina, Samantha Howell

Representative Hashem: Kathy Kato, Julie Haruki, Casey Nishimura

Representative Herkes: Eloise Kuniyoshi, Rebecca Gardner, Bosko Petricevic, Samuel Suen, Marlene Teixeira, Brian Yamane

Representative Ichiyama: Melanie Kuroiwa-Steiner, Curi Lee, Chace Shigemasa

Representative Ito: Melissa Miranda-Johnson, Kalani Kaanaana, Stephanie Macadangdang, George Okuda

Representative Johanson: Erin Kealoha Fale, Gregory Johnson, Carole Kaapu, Jonathan Kunimura

Representative Jordan: Nicole 'Lehua' Kinilau, Shayna Lonoaea Alexander, Cuyler Otsuka, Frances Rollins

Representative Kawakami: Virginia Kapali, Marissa Agena, Paulette Phillips, Kristi Rapozo

Representative Keith-Agaran: Ann Takaki, Susan Wong, Colleen Jones, Robert La Mont, Kimberly Max, James Miura, James Nagle, Pamela Ono, George White

Representative Lee Chris: Jen Wilbur, Melita Lani, Lina Le, Geoffrey Pullen

Representative Lee Marilyn: Lloyd 'Keanu' Young, Lee Ying Kwok, Kelly Suzuka

Representative Luke: Linnea Schuster, Nora Graham, Avery Yoo

Representative Manahan: Allison Aku, Mary Ann Manahan, Radiant Cordero, Karen Iwamoto, Ian Nishi

Representative Marumoto: John Gibo, Jennifer Dotson, Roosevelt Freeman, Spencer Lau Jr., Maureen Muraoka

Representative McKelvey: Wendee Wilson, Niroshan Kariapper, Mark Rosa

Representative Mizuno: Joje May Mizuno, Josephine Besario, Michael Bouffard, Christine Fehn

Representative Morikawa: Mark Mararagan, Shaun Hirai, Grant Kagawa

Representative Nakashima: Lori Hasegawa, Jana Carpio, Susie Graeb, Van Morita

Representative Nishimoto: Candace Van Buren, Chelsea Okamoto, Kevan Wong

Representative Oshiro: Karen Horita, Erin Ebisuya, William Gillispie, Midori Hirai, Karisa Look, Maria Marcelina Millon, Brandon Miyagi, Micah-Seth Munekata, Michael Ong, Lucia Phan, Meagan Shimizu, Maryanne Takahashi, Matthew Tsujimura, Napualani Young

Representative Pine: Kauai Alapa, Linda Dela Cruz, Mariano Doctolero, Kimberly Guynes, Lilia Lambinico

Representative Rhoads: Sonny Le, April Kamilah Bautista, Anthony Chang, Ryan Hew

Representative Riviere: Trina Ishii, Jesse Gelis, Ann Otteman

Representative Saiki: Jonathan Tungpalan, Diane Lee Pilla, Cileen Yamashita

Representative Say: Jennifer Agcaoili, Calvin Azama, Cassy Muragin, Clarice Hashimoto

Representative Souki: Flo Hamasaki, Peggy Collier, Vernon Souki, Charles St. Sure

Representative Takai: RaniaLisa 'Lisa' Vargas Omo, Cheryl Derby, Jennifer Higa Craig, April Pope

Representative Takumi: Nancy Nishimura, John Foster, Margot Seeto

Representative Thielen: Melody Heidel, Christopher Delaunay, Charlotte Farmer

Representative Tokioka: Amy Luke, Eddianne Lim, Jasmine Manabat

Representative Tsuji: Lora Lapenia, Malina Iida, Denna Macanas

Representative Ward: Sarah Fukumoto, Jame Schaedel, Mark Brians Jr., Mario-John Ting, Chelsea Tyson, Kevin Wilson

Representative Wooley: Jacqueline Miyashiro, Katherine Bodendorfer, Ryan Kapuniai, Kory Rosette, William Sager, Beverly Wong

Representative Yamane: Danielle Bass, Jeremy Aoyagi, Kenneth Dunham, Jordon Higa

Representative Yamashita: Lois Tambalo, John Aimo, Edwin Hayashi, Aulii Tenn

Finance: Nandana Kalupahana, Erik Abe, Perri 'Puna' Chai, Susan Fernandez, Jody Hamasaki, Randall Hiyoto, Stacey Tagala

House Majority Staff Research: Joan Yamaguchi, Rebecca Anderson, Nelisa Asato, Doreen Belen, Siobhan Caruso Ng, Alicia Duffin, Richard Dvovich, James Funaki, Jamie Go, Susan Iwata, Alison Kim, Shin Woo 'Roger' Kim, Steven Lum, Brandon Masuoka, Roy Nihei, Kendra Oishi, Ryan Sakuda, Elsielyn Singson, Dean Sugano, Jason Young, Ava Marie Cavaco, Jamila Jarmon, Ranie Mulligan, Dietra Myers Tremblay, Margaret Yamashita

Communications: Georgette Deemer, Thelma Dreyer, Jason Parasco

House Minority Research: Beth Fukumoto, Rina Chung, Candace Crouch-Kelsey, Nadine Nishioka, Michele Van Hessen, Scott Drinkall, Alan Eyerly, Paul Kanoho, Adam Reeder, Marc Takei, Steven Wong

Chief Clerk's Office: CJ Leong, Brian Takeshita, Waynette Araki, Josette Friedl, Royce Fukumoto, Matthew Hanabusa, Gail Iseri, Adele Ito, Ruperto Juarez, Arman 'Kai' Lau, Eric Lee, Denise Liu, Craig Nakahara, Thai Nguyen, Emma Perry, Neal Shigemura, Roger Tyau, Tiffany Aki, Angel Fujihara, Chi Hwa Ho, Ryan Kagimoto, Bobby Le, Jennifer Leng, Joshua Lum, Ross Miyasato Jr., Teoni Obrey, Lehua Saturnio, Jill Takamatsu, Wendy Tamashiro, Ruby Tomokiyo, Rachel Williamson, Scott Yamane, Diane Yukumoto

Chief Clerk's Office/Printshop: Tammy Tengan, Summer Kaleo, Fritz Belmore, Carol Cabebe, Karen Ebisuya, Aysia Ginoza, Bradley Haida, Roy Higa, Lorrin Kaalekahi Jr., Jean Kinoshita, Nicholas Kurosawa, Elaine Miyamoto, Mildred Phillips, Estelita Pumares, Eleanor Riney, Ambronette Rivera, Alice Sato, Amy Say, Linda Shishido, Aileen Tanaka, Mark Villamor, Curtis Yoshida, Wesley Yoshitake

Sergeant-At-Arms: Kevin Kuroda, Lon Paresa, Paulette Abe, Jesse Alvarado, John Baker, Rodney Haena, Janelle Murakawa, Glenn Okamura, Matthew Daog, Darryl Fukuji, Glenn Ganigan, Bronson Low, Henry Muronaga, Neal Nagata, Grant Okamoto, Geoffrey Oshiro, Jon Shitabata, Alfonso Singson, Jeffrey Spencer, Richard Tamashiro, Nelson Toda, Raymond Yamane

GOVERNOR'S MESSAGES

The following messages from the Governor (Gov. Msg. Nos. 246 and 1201 through 1206) were received by the Clerk and were placed on file:

Gov. Msg. No. 246, dated April 20, 2012, transmitting The Gas Company's Annual Renewable Energy Report for calendar year ending December 31, 2011, submitted to the Public Utilities Commission.

Gov. Msg. No. 1201, informing the House that on May 10, 2012, the following bill was signed into law:

H.B. No. 425, HD 3, SD 2, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC UTILITIES." (ACT 099)

Gov. Msg. No. 1202, informing the House that on May 10, 2012, the following bill was signed into law:

H.B. No. 1754, HD 1, SD 1, entitled: "A BILL FOR AN ACT RELATING TO ELECTIONS." (ACT 100)

Gov. Msg. No. 1203, informing the House that on May 10, 2012, the following bill was signed into law:

S.B. No. 112, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TOURISM." (ACT 101)

Gov. Msg. No. 1204, informing the House that on May 22, 2012, the following bill was signed into law:

H.B. No. 2013, HD 2, SD 1, entitled: "A BILL FOR AN ACT RELATED TO MIXED MARTIAL ARTS." (ACT 102)

Gov. Msg. No. 1205, informing the House that on June 01, 2012, the following bill was signed into law:

S.B. No. 2220, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE BOILER AND ELEVATOR SAFETY LAW." (ACT 103)

Gov. Msg. No. 1206, informing the House that on June 05, 2012, the following bill was signed into law:

H.B. No. 2251, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ELECTIONS." (ACT 104)

DEPARTMENTAL COMMUNICATIONS

The following departmental communications (Dept. Com. Nos. 83 through 89) were received by the Clerk and were placed on file:

Dept. Com. No. 83, dated May 2, 2012, from Hermina Morita, Chair, Public Utilities Commission, transmitting the report pursuant to HRS 269-16(d), on Docket No. 2009-0163, Maui Electric Company, Limited – Application for Approval and Rate Increases and Revised Rate Schedules.

Dept. Com. No. 84, dated May 2, 2012, from Bruce S. Anderson, President and Chief Executive Officer, Hawaii Health Systems Corporation, transmitting a report on the certification of losses from participation in the Quest, Quest Expanded Access programs and providing services to Uninsured patients for the quarter ending March 31, 2012, pursuant to Act 178, SLH 2005, Section 160.

Dept. Com. No. 85, dated May 7, 2012, from Marion M. Higa, State Auditor, Office of the Auditor, transmitting the following audit reports, all as of June 30, 2011:

- Department of Accounting and General Services (Egami & Ichikawa CPAs Inc.)
 - State Parking Revolving Fund *Financial and Compliance Audit*
 - State Motor Pool Revolving Fund *Financial and Compliance Audit*
- Department of Health *Financial and Compliance Report and Internal Control and Business Issues Report* (Accuity LLP)
 - Drinking Water Treatment Revolving Loan Fund *Financial Statements and Internal Control*
 - Water Pollution Control Revolving Fund *Financial Statements*
 - Water Pollution Control Revolving Fund and Drinking Water Treatment Revolving Loan Fund *Internal Control and Business Issues Report*
- Department of Human Services *Financial Statements and Single Audit Report* (N&K CPA's, Inc.)

Dept. Com. No. 86, dated May 9, 2012, from Barbara A. Krieg, Director, Department of Human Resources Development, transmitting a Report of Security Breach, pursuant to Chapter 487N, HRS.

Dept. Com. No. 87, dated May 21, 2012, from Marion M. Higa, State Auditor, Office of the Auditor, transmitting the following audit reports, all as of June 30, 2011:

- Hawaii Community Development Authority *Financial Audit* (Ohata Chun Yuen, LLP)
- Hawaii Housing Finance and Development Corporation *Financial and Compliance Audit* (Accuity LLP)
- Hawaii Public Housing Authority *Financial Statements and Single Audit Report* (KMH LLP)
- Hawaii Tourism Authority *Financial Statements* (KPMG LLP)
- Stadium Authority *Financial Statements and Management Letter* (Kobayashi, Kanetoku, Doi, Lum & Yasuda CPAs LLC)

Dept. Com. No. 88, dated May 29, 2012, from Marion M. Higa, State Auditor, Office of the Auditor, transmitting the report, Management Audit of the Natural Energy Laboratory of Hawaii Authority.

Dept. Com. No. 89, dated May 30, 2012, from Marion M. Higa, State Auditor, Office of the Auditor, transmitting the following audit reports, all as of June 30, 2011:

- Department of the Attorney General *Financial Statements and Management Letter* (Akamine, Oyadomari, & Kosaki CPAs, Inc.)
- Department of Education *Financial Statements* (KPMG LLP)
- Department of Hawaiian Home Lands *Financial and Compliance Audit and Internal Controls and Business Issues Report* (Accuity LLP)
- Department of Transportation-Administration Division *Financial and Compliance Audit* (CW Associates)
- Department of Transportation-Airports Division *Financial Statements, Single Audit Report, and Passenger Facility Charge Report* (KPMG LLP)
- Department of Transportation-Harbors Division *Financial Statements and Single Audit Report* (Kobayashi, Kanetoku, Doi, Lum & Yasuda CPAs LLC)
- Department of Transportation-Highways Division *Financial Statements* (KMH LLP)
- O'ahu Metropolitan Planning Organization *Financial and Compliance Audit Report and Management Letter* (Gilford Sato & Associates, CPAs, Inc.)

MISCELLANEOUS COMMUNICATIONS

The following miscellaneous communication (Misc. Com. No. 2) was received by the Clerk and was placed on file:

Misc. Com. No. 2, dated May 15, 2012, from James W.Y. Wong, President/Chairman, Paradise Park, Inc., acknowledging receipt of House Concurrent Resolution No. 153 and House Concurrent Resolution. No. 115.